

## ELECTRONIC TRANSMISSION DISCLAIMER

### THE PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 223 apply throughout the attached prospectus dated 12 July 2021 (the **Prospectus**) issued by Prosus N.V. (the **Company**), including this cover page (unless the context indicates otherwise).

### ACTION REQUIRED BY NASPERS N SHAREHOLDERS

The Prospectus is important and should be read with particular attention to "*Exchange Offer Memorandum—Procedures for acceptances and action required by Naspers N Shareholders*", which commences on page 87.

**PRIOR TO ANY NASPERS N SHAREHOLDER TAKING ANY ACTION IN TERMS OF THE EXCHANGE OFFER, NASPERS N SHAREHOLDERS ARE ADVISED TO CAREFULLY CONSIDER THE CONTENTS OF THE PROSPECTUS IN FULL AND TO ONLY TAKE ACTION AFTER HAVING CONSIDERED THE POTENTIAL EFFECTS OF THE CAPITAL RESTRUCTURE DETAILED IN THE PROSPECTUS.**

If you are in any doubt as to the action you should take, please consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.

If you have disposed of all your Naspers N Ordinary Shares, the Prospectus should be handed to the purchaser of such Naspers N Ordinary Shares or to the Broker, CSDP, banker or other agent through whom the disposal was made.

**The Company does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or Broker, including, without limitation, any failure on the part of the CSDP or Broker of any beneficial owner of Naspers N Ordinary Shares to notify such beneficial owner of the transactions set out in the Prospectus or to take any action on behalf of such beneficial owner.**

### **IMPORTANT: You must read the following disclaimer before continuing.**

The following disclaimer applies to the Prospectus. You are advised to read this disclaimer carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Company as a result of such access. You acknowledge that this electronic transmission and the delivery of the Prospectus is confidential and intended only for you and you agree you will not forward, reproduce, copy or publish this electronic transmission or the Prospectus (electronically or otherwise) to any other person, other than in compliance with the Prospectus if you have disposed of your relevant Naspers N Ordinary Shares.

THIS ELECTRONIC TRANSMISSION AND THE PROSPECTUS MAY NOT BE USED FOR, OR IN CONNECTION WITH, AND DO NOT CONSTITUTE OR FORM PART OF AN OFFER TO THE PUBLIC BY, OR INVITATION TO THE PUBLIC BY OR ON BEHALF OF THE COMPANY, NASPERS LIMITED (**NASPERS**) OR ANY REPRESENTATIVE OF THE COMPANY OR NASPERS, TO PURCHASE ANY SECURITIES OR AN OFFER TO SELL OR ISSUE, OR THE SOLICITATION TO BUY SECURITIES BY ANY PERSON IN ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH APPLICABLE LAW AND REGULATION. THE DISTRIBUTION OF THE PROSPECTUS MAY BE RESTRICTED BY APPLICABLE LAW AND REGULATION IN CERTAIN JURISDICTIONS. NEITHER THE PROSPECTUS NOR ANY ADVERTISEMENT OR ANY OTHER RELATED MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH APPLICABLE LAW AND REGULATION. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THIS ELECTRONIC

TRANSMISSION AND THE PROSPECTUS MAY NOT BE TRANSMITTED INTO OR OTHERWISE DELIVERED TO ANY PERSON LOCATED OR RESIDENT IN ANY PROVINCE OR TERRITORY OF CANADA. THERE WILL BE NO PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **U.S. SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT (**U.S. PERSONS**) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. NONE OF THE COMPANY'S SECURITIES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

THIS ELECTRONIC TRANSMISSION AND THE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, OTHER THAN IN COMPLIANCE WITH THE PROVISIONS OF THE PROSPECTUS. IF YOU HAVE DISPOSED OF ALL YOUR NASPERS N ORDINARY SHARES, ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC TRANSMISSION OR THE PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF APPLICABLE LAWS AND REGULATIONS.

**Confirmation of Your Representation:** This electronic transmission and the Prospectus are delivered to you on the basis that you represent to the Company, Naspers and each of Goldman Sachs Bank Europe SE, ING Bank N.V., Investec Bank Limited, and Morgan Stanley & Co. International plc that you have understood and agree to the terms set out herein and that: (i) you are a person that is eligible to receive this electronic transmission and the Prospectus (and, without limitation, you are not located or resident in any province or territory of Canada); (ii) any New Prosus Ordinary Shares N acquired by you in the Exchange Offer will not have been acquired by you with a view to their offer or resale to any person in circumstances that may give rise to any offer of New Prosus Ordinary Shares N to the public; and (iii) you consent to delivery by electronic transmission.

The Prospectus has been made available to you in an electronic form. By accessing the document following this disclaimer, you consent to receiving it in electronic form. A hard copy of the Prospectus will be made available to you only upon request. You are reminded that the Prospectus has been made available to you solely on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws and regulations of the jurisdiction in which you are located in, or a resident of, and you may not deliver, nor are you authorised to deliver, the Prospectus, electronically or otherwise, to any other person, other than as contemplated in the Prospectus.

**Important Information and Restrictions:** You must read the contents of the Prospectus having regard to the important information set out under "*Important Information*". Nothing in this electronic transmission or the Prospectus may be used for, or in connection with, or constitutes or forms part of an offer of securities to the public for sale. Naspers N Shareholders that wish to exchange their Naspers N Ordinary Shares for the New Prosus Ordinary Shares N under the Exchange Offer should carefully read the restrictions described under "*Important Information—Notice to Prospective Investors*".

**You are responsible for protecting against viruses and other destructive items.** Your receipt of the Prospectus via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.



## Prosus N.V.

*(a public company with limited liability (naamloze vennootschap) incorporated under the laws of the Netherlands, with its statutory seat (statutaire zetel) in Amsterdam, the Netherlands)*

### **Admission to listing and trading of 448,991,535 New Prosus Ordinary Shares N on Euronext Amsterdam and on the Main Board of the JSE**

This prospectus (the **Prospectus**) has been prepared in connection with the Capital Restructure (as defined below) and the admission to listing and trading of 448,991,535 new ordinary shares N in the capital of Prosus N.V. (the **Company**) with a nominal value of €0.05 each (the **New Prosus Ordinary Shares N**) on Euronext Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V., and, as a secondary listing, on the Main Board of the Johannesburg Stock Exchange (the **JSE**), a licensed exchange operated by JSE Limited (the **Admissions**, and together with the Capital Restructure, the **Transaction**). See "*Overview of the Transaction*", for a description of the Capital Restructure.

Application has been made to admit the New Prosus Ordinary Shares N to listing and trading on Euronext Amsterdam, under the symbol "PRX", and, as a secondary listing, on the Main Board of the JSE, under the abbreviated name "Prosus" and the symbol "PRX" in the "Technology—Internet" sector. The New Prosus Ordinary Shares N International Security Identification Number (**ISIN**) is NL0013654783. Trading in the New Prosus Ordinary Shares N on Euronext Amsterdam, the A2X Markets (the **A2X**), a licensed exchange operated by A2X Proprietary Limited, and the JSE is expected to commence at 09:00 hours (Central European Summer Time/South African Standard Time) on the same date as the Settlement Date (as defined below) (the **First Trading Date**). The A2X is a secondary listing venue and the admission to listing and trading in the New Prosus Ordinary Shares N on the A2X is subject to the Admission to the JSE being granted. If the Exchange Offer (as defined below) does not become unconditional in accordance with its terms and conditions, the Admissions will not proceed. The Exchange Offer (as defined below) will not proceed if the conditions precedent thereto (the **Exchange Offer Conditions**) are not timeously fulfilled or waived, as applicable, in accordance with the terms of the Exchange Offer Conditions as set out in the "*Exchange Offer Memorandum*" and/or where the Board exercises its right to decide, in its discretion, that the Exchange Offer will not proceed at any time before 14:00 hours CEST on Tuesday, 12 August 2021. See "*Exchange Offer Memorandum*" for further details regarding the terms and conditions of participating in the Exchange Offer including the Exchange Offer Conditions.

This Prospectus may not be used for, or in connection with, and does not constitute, or form part of, an offer by, or invitation by or on behalf of, the Company or any representative of the Company to purchase any securities or an offer to sell or issue, or the solicitation to buy securities by any person in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

**Investing in New Prosus Ordinary Shares N involves risks. See "*Risk Factors*" for a description of the risk factors that should be carefully considered before investing in the New Prosus Ordinary Shares N.**

Each of Goldman Sachs Bank Europe SE and Morgan Stanley & Co. International plc is acting as a financial adviser to the Company (together, the **Financial Advisers**).

This Prospectus is made available by the Company, and the Company and the Directors, whose names are set out in "*—Directors*", collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus in all material respects. The Company and the Directors declare that to the best of their knowledge the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

The New Prosus Ordinary Shares N issued pursuant to the voluntary exchange offer made by the Company on a *pro rata* basis to holders (the **Naspers N Shareholders**) of the ordinary shares N in the issued share capital of Naspers Limited (**Naspers**) with a nominal value of ZAR0.02 each (**Naspers N Ordinary Shares**) in terms of which, among other things, the existing Naspers N Shareholders will be entitled, subject to certain terms and conditions, to exchange their Naspers N Ordinary Shares for New Prosus Ordinary Shares N in accordance with the exchange ratio of 2.27443 New Prosus Ordinary Shares N for each tendered Naspers N Ordinary Share (the **Exchange Offer**), are expected to be delivered to the Naspers N Shareholders that participate in the Exchange Offer (**Settlement**) on Monday, 16 August 2021 or as soon as practicable thereafter (the **Settlement Date**). Settlement will take place through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) trading as Euroclear Nederland, in the case of eligible Naspers N Shareholders that make valid elections to receive their New Prosus Ordinary Shares N on Euronext Amsterdam in accordance with the terms and conditions of the Exchange Offer (the **Settlement Election**), and the system operated by Strate Proprietary Limited (**Strate**) for dealings in uncertificated securities listed on, among others, the JSE that take place on the JSE and for dealings in certificated securities listed on the JSE that take place on the JSE, in the case of all other Naspers N Shareholders that did not, or are not eligible to, make Settlement Elections (as defined

below). New Prosus Ordinary Shares N will be traded in dematerialised form only and, as such, no documents of title will be issued to investors. The delivery of the New Prosus Ordinary Shares N may not take place on the Settlement Date, or at all, if the Exchange Offer does not proceed. None of the Company, ING Bank N.V. in its capacity as the Company's listing and paying agent for Euronext Amsterdam, the Financial Advisers, Investec Bank Limited in its capacity as the Company's JSE sponsor, JSE Investor Services Proprietary Limited in its capacity as Naspers's JSE transfer secretary, Computershare Investor Services Proprietary Limited in its capacity as the Company's JSE transfer secretary, Citibank, N.A. South Africa Branch in its capacity as the cross-border settlement agent, Euronext Amsterdam N.V., JSE Limited or A2X Proprietary Limited, accept/accepts any responsibility or liability towards any person as a result of any transactions in the New Prosus Ordinary Shares N. Certificated Naspers N Shareholders that wish to participate in the Exchange Offer must bear in mind that the New Prosus Ordinary Shares N will not be issued in certificated form and such Naspers N Shareholders must appoint a custodian or broker for their custodian or brokerage account capable of holding dematerialised securities listed and trading on the A2X, the JSE or on Euronext Amsterdam (in the case of eligible Naspers N Shareholders that intend to make a Settlement Election (as defined below)) to participate in the Exchange Offer. See "*Exchange Offer Memorandum*" for further details regarding the terms and conditions of participating in the Exchange Offer. The Exchange Offer is being made to all Naspers N Shareholders on a *pro rata* basis; however, some Naspers N Shareholders may be located in a jurisdiction in which participation in the Exchange Offer including having the New Prosus Ordinary Shares N issued, transferred or delivered to them or for their benefit in terms of the Exchange Offer in their relevant jurisdiction, would be restricted, illegal or otherwise impermissible in terms of the relevant laws and regulations of that jurisdiction, including Naspers N Shareholders who are in the United States or are U.S. Persons but are not Eligible U.S. Shareholders. Naspers N Shareholders that wish to participate in the Exchange Offer should satisfy themselves as to the full observance of the laws of the jurisdiction in which they are located, including the obtainment of any governmental or other consents which may be required, the making of any filings which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdictions. Naspers N Shareholders should carefully read the restrictions described under "*Important Information—Notice to Prospective Investors*".

The distribution of this Prospectus in certain jurisdictions may be restricted by applicable laws and regulations and therefore persons into whose possession this Prospectus comes should inform themselves and observe any restrictions. There will be no public offering of the New Prosus Ordinary Shares N in the United States. The New Prosus Ordinary Shares N have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the **U.S. Securities Act**) or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the U.S. Securities Act (**U.S. Persons**) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Any offer or sale of the New Prosus Ordinary Shares N, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. Persons will be made only to, or for the account or benefit of, persons who are both a "qualified institutional buyer" as defined in Rule 144A under the U.S. Securities Act and "qualified purchaser" as defined in Section 2(a)(51)(A) of, and Rule 2a51-1(g) under, the U.S. Investment Company Act of 1940, as amended (the **U.S. Investment Company Act**, and such persons, **Eligible U.S. Shareholders**). The Company has not been, and will not be, registered under the U.S. Investment Company Act. Neither this document nor the information contained herein constitutes or forms part of an offer to sell or exchange, or the solicitation of an offer to buy or accept, the New Prosus Ordinary Shares N in the United States or to or from, or for the account or benefit of, any U.S. Person. The New Prosus Ordinary Shares N are not being offered to holders of Naspers American depositary shares. Naspers N Shareholders who are Eligible U.S. Shareholders and wish to exchange their Naspers N Ordinary Shares for the New Prosus Ordinary Shares N under the Exchange Offer should carefully read the restrictions described under "*Important Information—Notice to Prospective Investors*". Neither the Company nor Naspers is taking any action to make, permit or facilitate a public offering of New Prosus Ordinary Shares N in the United States or any other jurisdiction. This Prospectus may not be distributed to any person located or resident in any province or territory of Canada and does not constitute an offer to acquire any Naspers N Ordinary Shares held in registered form by, or beneficially owned by, any person located or resident in any province or territory of Canada.

This Prospectus constitutes a prospectus for the purposes of, and has been prepared in accordance with, Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**). This Prospectus has been approved as a prospectus for the purposes of the Prospectus Regulation by, and filed with, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), as competent authority under the Prospectus Regulation. The AFM has only approved this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company. Investors should make their own assessment as to the suitability of investing in the New Prosus Ordinary Shares N. This Prospectus is a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129.

This Prospectus has been filed with the Financial Surveillance Department (**FinSurv**) of the South African Reserve Bank and has been approved by JSE Limited in accordance with Section 16 of the listings requirements of the JSE (**JSE Listings Requirements**). This Prospectus does not, nor does it intend to, constitute a "*registered prospectus*" or "*advertisement*" in relation to any "*offer to the public*", as contemplated by Chapter 4 of the South African Companies Act, 71 of 2008, as amended (together with the regulations promulgated under it, the **South African Companies Act**). As such, this Prospectus does not comply with the substance and form requirements for prospectuses set out in the South African Companies Act and has not been approved by, and/or registered with, the South African Companies and Intellectual Property Commission. FinSurv has also approved the inward listing of the New Prosus Ordinary Shares N on the Main Board of the JSE and classified the inward listed New Prosus Ordinary Shares N as "*domestic*" for South African exchange control purposes. See "*Important Information—Notice to Prospective Investors—No public Offering is being made to any person in any jurisdiction—Notice to Persons in South Africa*" for further information regarding South African exchange control.

This Prospectus is dated 12 July 2021

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## SUMMARY

### Introduction and Warnings

This summary should be read as an introduction to this prospectus (the **Prospectus**) prepared in connection with the admission to listing and trading of 448,991,535 new ordinary shares N in the capital of Prosus N.V. (the **Company** or **Prosus**) with a nominal value of €0.05 each (the **New Prosus Ordinary Shares N**) on Euronext Amsterdam (**Euronext Amsterdam**), a regulated market operated by Euronext Amsterdam N.V., and, as secondary listings on the Main Board of the Johannesburg Stock Exchange (the **JSE**), a licensed exchange operated by JSE Limited (the **Admissions**). Subject to the Admission to the JSE being granted, the New Prosus Ordinary Shares N will also be admitted to listing and trading on the A2X Markets (the **A2X**). The Prospectus does not constitute, or form part of, an offer to the public by, or invitation to the public by or on behalf of, the Company or any representative of the Company to purchase any securities or an offer to sell or issue, or the solicitation to buy, securities by any person in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. There will be no offer to the public of any securities in any jurisdiction.

The Company's statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its registered office is at Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands. The Company is registered with the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under number 34099856. The Company's telephone number is +31 (0)20 299 9777. The Company's Legal Entity Identifier (**LEI**) is 635400Z5LQ5F9OLVT688. The New Prosus Ordinary Shares N International Security Identification Number (**ISIN**) is NL0013654783.

The Prospectus was approved as a prospectus for the purposes of Article 3 of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the **Prospectus Regulation**) by, and filed with, the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the **AFM**), as a competent authority under the Prospectus Regulation, on 12 July 2021, and was filed with and approved by JSE Limited on 8 July 2021. The AFM's registered office is at Vijzelgracht 50, 1017 HS Amsterdam, the Netherlands and its telephone number is +31 (0)20 797 2000. JSE Limited's registered office is at One Exchange Square, Gwen Lane, Sandown 2196, Republic of South Africa (**South Africa**) and its telephone number is +27 (0)11 520 7000.

Any decision to invest in any New Prosus Ordinary Shares N should be based on a consideration of the Prospectus as a whole by the investor and not just the summary. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in, or incorporated by reference into, the Prospectus is brought before a court, the plaintiff investor might, under national law of the member states of the European Economic Area, have to bear the costs of translating the Prospectus and any documents incorporated by reference in it before the legal proceedings can be initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the New Prosus Ordinary Shares N.

### Key Information on the Company

#### Who is the issuer of the New Prosus Ordinary Shares N?

**Domicile and Legal Form.** The Company is a public company with limited liability (*naamloze vennootschap*) incorporated and operating under the laws of the Netherlands and is domiciled in the Netherlands. The Company's statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands. The Company's Legal Entity Identifier (LEI) is 635400Z5LQ5F9OLVT688.

**Principal Activities.** The Company and its consolidated subsidiaries (together, the **Group**) is a global consumer internet group operating across a variety of platforms and geographies, and is one of the largest technology investors in the world. The Group's businesses and investments serve more than two billion people in over 100 markets. The Group's businesses and investments are organised around the following segments: Ecommerce (which comprises its interests in Classifieds, Payments and Fintech, Food Delivery, Edtech, Etail and Other Ecommerce (including Ventures)), Social and Internet Platforms (which comprises its interests in Tencent Limited (**Tencent**) and Mail.ru Group Limited (**Mail.ru Group**)) and Corporate (relating to its Group-level corporate services and treasury function).

**Share Capital.** As at the date of the Prospectus, the Company's share capital comprises (i) ordinary shares A1 with a nominal value of €0.05 each (the **Prosus Ordinary Shares A1**) and ordinary shares A2 with a nominal value of €50 each (the **Prosus Ordinary Shares A2**) and, together with the Prosus Ordinary Shares A1, the **Prosus Ordinary Shares A**) and (ii) ordinary shares N with a nominal value of €0.05 each (the **Prosus Ordinary Shares N**). The New Prosus Ordinary Shares N will be admitted to listing and trading on Euronext Amsterdam and, as a secondary listing, on the Main Board of the JSE and, subject to the Admission to the JSE being granted, on the A2X, and carry one vote per share. At the date on which trading in the New Prosus Ordinary Shares N on Euronext Amsterdam and the JSE commences, which is expected to be on Monday, 16 August 2021 (the **First Trading Date**), the Company's share capital will comprise Prosus Ordinary Shares N, Prosus Ordinary Shares A and ordinary shares B in the capital of the Company with a nominal value of €0.05 each (the **Prosus Ordinary Shares B**). The terms, creation and issuance to Naspers pursuant to the Capital Restructure (as defined below) of the Prosus Ordinary Shares B was approved by the shareholders of the Company (**Shareholders**) at the extraordinary general meeting held on Friday, 9 July 2021 (the **Prosus EGM**).

**Major Shareholders.** At the date of this Prospectus, the major shareholders of the Company are (i) Naspers as major shareholder with respect to the Prosus Ordinary Shares N and (ii) each of Naspers Beleggings (RF) Limited (**Nasbel**) and Keeromstraat 30 Beleggings (RF) Limited (**Keerom**) as major shareholders with respect to the Prosus Ordinary Shares A. Naspers holds 72.49% of the Prosus Ordinary Shares N and Prosus Ordinary Shares A1 in total (73.02% when considering treasury shares held by the Company, which it intends to cancel), which represents 73.02% of the voting rights in respect of the Prosus Ordinary Shares N and

Prosus Ordinary Shares A1. In turn, Naspers is subject to the Naspers voting control structure which comprises two companies, Nasbel and Keerom, that together hold a majority of the A ordinary shares in the capital of Naspers with a par value of ZAR20.00 each (the **Naspers A Ordinary Shares**). As at the date of the Prospectus, Nasbel and Keerom respectively hold 49.15% and 30.80% of the Naspers A Ordinary Shares, which respectively represent approximately 33.82% and 21.20% of the voting rights of the Naspers A Ordinary Shares and Naspers N Ordinary Shares. Nasbel and Keerom exercise their voting rights in Naspers in consultation with one another in terms of a voting pool agreement. Each of Naspers, Nasbel and Keerom, in relation to its (in)direct share capital interest in the Company, has made a filing with the AFM in accordance with the Dutch FMSA.

The Prosus Ordinary Shares A comprise: the Prosus Ordinary Shares A1 and Prosus Ordinary Shares A2. Nasbel holds 1,726,015 Prosus Ordinary Shares A which represents 49.15% of all issued Prosus Ordinary Shares A and 0.11% of the voting rights; and Keerom holds 1,081,686 Prosus Ordinary Shares A which represents 30.80% of all issued Prosus Ordinary Shares A and 0.07% of the voting rights. The Prosus Ordinary Shares A: (i) are not, and will not as part of the Capital Restructure (as defined below) and the Admissions (and together with the Capital Restructure, the **Transaction**) be, admitted to listing and trading on any stock exchange; and (ii) carry one vote per share, save 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, which, pursuant to the Company's articles of association (the **Articles of Association**), would automatically result in the Prosus Ordinary Shares A1, carrying one vote per share, converting to Prosus Ordinary Shares A2, carrying 1,000 votes per share.

The tables below include an overview of the persons that will have an interest in the Company's share capital or voting rights, which is notifiable under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the **Dutch FMSA**) as at the Settlement Date.

#### Prosus Ordinary Shares N

Shareholder	In case the Exchange Offer is implemented <sup>(i)</sup>		
	Prosus Ordinary Shares N <sup>(ii)</sup>	Percentage of Prosus Ordinary Shares N <sup>(iii)</sup>	Total Voting Percentage <sup>(iv)</sup>
Naspers .....	1,180,250,012	57.24%	36.94%
<b>Total</b> .....	<b>1,180,250,012</b>	<b>57.24%</b>	<b>36.94%</b>

- (i) The implementation of the Exchange Offer (as defined below) will be subject to the fulfilment of certain conditions including that Prosus has received and has valid acceptances at the close of the Exchange Offer, such that upon implementation of the Exchange Offer (as defined below) Prosus will hold not less than 49%<sup>1</sup> of the total issued ordinary shares N in the capital of Naspers Limited (**Naspers**) with a par value of ZAR0.02 each (the **Naspers N Ordinary Shares**) (including any Naspers N Ordinary Shares already held by Prosus immediately before launch of the Exchange Offer (as defined below)) (the **Minimum Acceptance Condition**). If the Minimum Acceptance Condition is not fulfilled, the Exchange Offer (as defined below) will not be implemented.
- (ii) The New Prosus Ordinary Shares N and the existing Prosus Ordinary Shares N in the capital of the Company together will be referred to as the **Prosus Ordinary Shares N**.
- (iii) These percentages are calculated including any treasury shares in Prosus.
- (iv) These percentages are based on a calculation that does not take into account any treasury shares in Prosus.

#### Prosus Ordinary Shares B

Shareholder	In case the Exchange Offer is implemented <sup>(i)</sup>		
	Prosus Ordinary Shares B <sup>(ii)</sup>	Percentage of Prosus Ordinary Shares B	Total Voting Percentage
Naspers .....	1,128,507,756	100%	35.32%
<b>Total</b> .....	<b>1,128,507,756</b>	<b>100%</b>	<b>35.32%</b>

- (i) The Prosus Ordinary Shares B: (i) are not, and will not, as part of the Transaction, be admitted to listing and trading on any stock exchange; and (ii) carry one vote per share.
- (ii) As part of the Transaction, 1,128,507,756 Prosus Ordinary Shares B will be issued to Naspers as part of the Capital Restructure (as defined below) so that Naspers continues to hold 72% of the aggregate number of issued equity shares in the Company (including both the Prosus Ordinary Shares A and Prosus Ordinary Shares N) after the implementation of the Capital Restructure (as defined below) and taking into account Naspers's holding of Prosus Ordinary Shares N at the relevant times. The subscription price for the Prosus Ordinary Shares B is €0.05 per Prosus Ordinary Share B; the total subscription amount for the 1,128,507,756 Prosus Ordinary Shares B will be €56,425,387.80. The proceeds will be used for general corporate purposes.

#### Prosus Ordinary Shares A1

Shareholder	In case the Exchange Offer is implemented <sup>(i)</sup>		
	Prosus Ordinary Shares A	Percentage of Prosus Ordinary Shares A	Total Voting Percentage
Nasbel.....	2,190,403	49.15%	0.07%
Keerom .....	1,372,716	30.80%	0.04%
<b>Total</b> .....	<b>3,563,119</b>	<b>79.95%</b>	<b>0.11%</b>

- (i) The Prosus Ordinary Shares A1: (i) are not, and will not as part of the Capital Restructure (as defined below) and the Admissions be, admitted to listing and trading on any stock exchange; and (ii) carry one vote per share, save 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, which, pursuant to the Articles of Association, would automatically result in the Prosus Ordinary Shares A1, carrying one vote per share, converting to Prosus Ordinary Shares A2, carrying 1,000 votes per share. The Prosus Ordinary Shares

<sup>1</sup> This number is calculated including any treasury shares in Naspers.

A issued under the Prosus A Share Capitalisation Issue (as defined below) will not have a subscription price as this constitutes a *pro rata* capitalisation issue to the holders of the Prosus Ordinary Shares A (**Prosus A Shareholders**) in accordance with the Articles of Association.

**Executive Directors.** Bob van Dijk is the Chief Executive Officer of the Company and an executive director of the Company. Basil Sgourdos is the Chief Financial Officer/Financial Director of the Company and an executive director of the Company.

**Independent Auditor.** PricewaterhouseCoopers Accountants N.V. is the independent auditor.

### What is the key financial information regarding the Company?

**Selected financial information.** The following tables set out the Group's consolidated income statement, statement of financial position, statement of cash flows and certain other financial data as of and for the years ended 31 March 2021 and 31 March 2020. The selected consolidated financial information set forth below has been derived from the consolidated annual financial statements of the Group as of 31 March 2021, including the related notes thereto and the independent auditor's report (the **Annual Financial Statements**)

#### Consolidated Income Statement

	Fiscal Year	
	2021	2020 <sup>(1)</sup>
	<i>(US\$ in millions)</i>	
Revenue from contracts with customers.....	5,116	3,330
Cost of providing services and sale of goods .....	(3,455)	(2,177)
Selling, general and administration expenses.....	(2,614)	(1,762)
Other (losses)/gains – net .....	(87)	16
<b>Operating loss .....</b>	<b>(1,040)</b>	<b>(593)</b>
Interest income .....	83	201
Interest expense .....	(262)	(223)
Other finance income – net .....	177	61
Share of equity-accounted results.....	7,095	3,930
Impairment of equity-accounted investments.....	(30)	(21)
Dilution gains/(losses) on equity-accounted investments.....	1,000	(52)
Net gains on acquisitions and disposals .....	309	434
<b>Profit before taxation .....</b>	<b>7,332</b>	<b>3,737</b>
Taxation .....	67	(75)
<b>Profit for the year .....</b>	<b>7,399</b>	<b>3,662</b>
Attributable to:		
Equity holders of the Group .....	7,449	3,771
Non-controlling interests .....	(50)	(109)

(1) Refer to note 2 of the Annual Financial Statements for details of the Group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current period. The change in accounting policy was adopted and the results presented for the year ended 31 March 2020 have been restated.

#### Summary of Consolidated Statement of Financial Position

	As at 31 March	
	2021	2020 <sup>(1)</sup>
	<i>(US\$ in millions)</i>	
<b>ASSETS</b>		
Goodwill and other intangible assets.....	2,884	3,013
Investments in associates.....	40,556	22,233
Investments in joint ventures.....	158	72
Other non-current assets.....	4,985	1,337
Inventory .....	321	213
Trade receivables .....	150	111
Other current assets .....	1,892	731
Short-term investments .....	1,211	3,873
Cash and cash equivalents.....	3,571	4,181
<b>TOTAL ASSETS.....</b>	<b>55,728</b>	<b>35,764</b>
<b>EQUITY AND LIABILITIES</b>		
Total equity .....	43,186	29,314
Total debt <sup>(2)</sup> .....	8,192	3,807
Other non-current liabilities <sup>(3)</sup> .....	454	591
Trade payables .....	344	291



Other current liabilities.....	3,552	1,761
<b>TOTAL EQUITY AND LIABILITIES .....</b>	<b>55,728</b>	<b>35,764</b>

- (1) Refer to note 2 of the Annual Financial Statements for details of the Group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current period. The change in accounting policy was adopted retrospectively and the results presented for the year ended 31 March 2020 have been restated.
- (2) Total debt includes total interest-bearing loans, interest-bearing capitalised leases, bank overdrafts and other non-interest-bearing loans.
- (3) Other non-current liabilities include written put option liabilities, cash-settled share-based payment liabilities and other non-current liabilities.

#### Summary of Consolidated Statement of Cash Flows

	Fiscal Year	
	2021	2020
	<i>(US\$ in millions)</i>	
Net cash generated from/(utilised in) operating activities .....	159	(209)
Net cash (utilised in)/generated from investing activities.....	(3,218)	2,270
Net cash generated from financing activities.....	2,450	17
Net movement in cash and cash equivalents .....	(609)	2,078

#### Summary Segmental Data

The following tables set out the Group's revenue and trading profit by segment on an "economic-interest" basis for the periods indicated along with a reconciliation to the Group's consolidated revenue and trading profit for the relevant periods as reported on a statutory basis.

	Revenue		Trading (loss)/profit	
	Fiscal Year			
	2021	2020	2021	2020 <sup>(1)</sup>
	<i>(US\$ in millions)</i>			
<b>Ecommerce comprising:</b>				
—Classifieds .....	1,599	1,281	9	34
—Payments and Fintech.....	577	428	(68)	(67)
—Food Delivery.....	1,486	751	(355)	(624)
—Etail .....	2,250	1,363	68	(20)
—Travel .....		146		(22)
—Other .....	318	297	(83)	(83)
<b>Total Ecommerce .....</b>	<b>6,230</b>	<b>4,266</b>	<b>(429)</b>	<b>(782)</b>
Social and Internet Platforms comprising:				
—Tencent.....	22,155	16,779	6,126	4,601
—Mail.ru.....	371	410	28	98
<b>Total Social and Internet Platforms.....</b>	<b>22,526</b>	<b>17,189</b>	<b>6,154</b>	<b>4,699</b>
Corporate services .....	-	-	(110)	(140)
<b>Total (economic interest<sup>(2)</sup>) .....</b>	<b>28,756</b>	<b>21,455</b>	<b>5,615</b>	<b>3,777</b>
Less:				
Equity-accounted investments.....	(23,640)	(18,125)	(5,778)	(4,198)
<b>Total from operations .....</b>	<b>5,116</b>	<b>3,330</b>	<b>(163)</b>	<b>(421)</b>

- (1) During the current year, the chief operating decision maker (CODM) approved the change in presentation of corporate costs. Corporate costs, previously disclosed in the Other Ecommerce segment, are now included in the Corporate services segment. This provides more clarity and transparency to the total corporate costs incurred by the Group and results in a more accurate reflection of the operating performance of the Other Ecommerce segment.
- The change in presentation was adopted retrospectively and the results of the year ended 31 March 2020 have been restated.
- (2) In accordance with IFRS 8, Operating Segments, which aligns the reporting of operating segments with internal management reporting. As the CODM analyses segment results in accordance with the investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes only, this method is also applied for segment reporting in the Annual Financial Statements. Proportionate consolidation is a method of accounting whereby a share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in the operating segments. Reference is made 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.

**Other Key Financial Information.** No pro forma financial information or profit forecast has been included in the Prospectus.

#### What are the key risks that are specific to the Company?

The following is a selection of key risks that, alone or in combination with other events or circumstances, could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. In making the selection, the Group has considered circumstances such as the probability of the risk materialising on the basis of the current state of affairs, the potential impact which the materialisation of the risk could have on the Group's business, financial condition, results of operations and prospects, and the attention that management would, on the basis of current expectations, have to devote to these risks if they were to materialise.

- The Group operates in highly competitive and rapidly changing market sectors. Increased competition or failure to adapt to technological change or changes in consumer preferences could have a negative impact on the Group's business, financial condition, results of operations and prospects.
- The continuing impacts of Covid-19 are highly unpredictable and could be significant, and may have an adverse effect on the Group's business, financial condition, results of operations and prospects.
- Tencent's performance will have a material impact on the Group's results of operations on an economic interest basis and the Group's financial condition. The trading price of Tencent's shares has been and may continue to be volatile and could fluctuate due to general market and industry factors, including political, regulatory, economic and social conditions in the People's Republic of China as well as factors relating to Tencent's business. Any such change in the value of Tencent shares will have a material impact on the Group and the market value of the Prosus Ordinary Shares N.
- The Group has invested, and will continue to invest, substantial amounts to develop and promote the Group's businesses and their platforms. Certain of these investments may continue to be loss-making and may never be profitable. Some of these businesses are loss-making, have negative operating cash flows and require significant capital expenditure. These businesses may never be profitable or cash generating due to a variety of factors, many of which are beyond the Group's control. Any such losses or negative cash flows would have a negative impact on the Group's business, financial condition, results of operations and value of the Group's direct and indirect interests in these companies.
- The Group depends on access to cash flows from the Company's subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect the Group's business, financial condition, results of operations and prospects. Some of the Group's businesses have a limited track record of paying dividends, or have never paid dividends. The Group also depends on external financing arrangements which contain financial covenants and other requirements. Accordingly, the Company may not be able to obtain cash at the times and in the amounts that the Company requires.
- Each of the Group's 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 the Group.
- Unauthorised use or disclosure of confidential information or personal data, whether through cybersecurity breaches or otherwise, may expose the Group to fines, liability, litigation and damage to the Group's reputation.
- The Group is required to comply with numerous, complex, constantly evolving and sometimes conflicting legal and regulatory requirements in multiple jurisdictions, and could suffer adverse financial, operational or reputational impact due to non-compliance.
- The Group's international operations expose it to a variety of economic, social and political risks.
- Regulation of the internet and Ecommerce sectors is evolving and may change quickly in a way that requires changes to the Group's business models, inhibit the Group's ability to grow its businesses, or adversely affect the Group's businesses by increasing its compliance burden and costs, as well as the risk of non-compliance.
- The Group's future growth will depend on the Group's ability to identify consumer trends that address major societal needs in growth markets. Even if the Group successfully identifies such trends, the Group may fail to fully understand them or their associated risks, and the business plans or market estimates underlying the Group's decision to invest may prove to be inaccurate, the occurrence of either of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

## Key Information on the New Prosus Ordinary Shares N

### What are the main features of the New Prosus Ordinary Shares N?

**Type, Class and ISIN.** The New Prosus Ordinary Shares N are ordinary shares in the share capital of the Company with a nominal value of €0.05 each. The New Prosus Ordinary Shares N will trade in Euro on Euronext Amsterdam and in South African Rand on the JSE and the A2X. The New Prosus Ordinary Shares N International Security Identification Number (ISIN) is NL0013654783.

**Rights attached to the New Prosus Ordinary Shares N.** The New Prosus Ordinary Shares N will rank *pari passu* with each other and with the existing Prosus Ordinary Shares N. Holders of New Prosus Ordinary Shares N will be entitled to dividends and other distributions declared and paid on them. Each New Prosus Ordinary Share N carries distribution rights and entitles its holder with the right to attend and to cast one vote at the general meeting (*algemene vergadering*) of the Company. There are no restrictions on voting rights attaching to the New Prosus Ordinary Shares N. Each holder of New Prosus Ordinary Shares N shall, subject to exceptions, have a pre-emptive right in respect of the Prosus Ordinary Shares N to be issued in proportion to the number of Prosus Ordinary Shares N already held by it. Such a pre-emptive right may, however, be excluded or limited. At the Prosus EGM, the board of directors (*bestuur*) of the Company (the **Board**) was, for a period of 18 months from the date of the Prosus EGM, authorised by the general meeting of shareholders as the competent body to resolve to issue shares and rights to subscribe for shares in the capital of the Company up to a maximum of 451 million Prosus Ordinary Shares N, 950,000 Prosus Ordinary Shares A1 and 1,132 million Prosus Ordinary Shares B, and to exclude or limit pre-emptive rights accruing to Shareholders in relation to the issue of shares or rights to subscribe for shares, for purposes of implementing the Capital Restructure (as defined below).

**Dissolution and Liquidation.** If the Company is dissolved, the Company's assets shall be paid to secured creditors, preferential creditors (including tax and social security authorities) and unsecured creditors (including holders of the Company's listed notes), in that order. Insofar as possible, from the balance remaining after payment of the debts of the dissolved Company, a payment must first be made on each Prosus Ordinary Share A, for the *pro rata* part of the conversion reserve (*statutaire reserve*). Any remaining balance shall be transferred to the holders of Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N in proportion to the nominal value of each shareholder's holding in Prosus Ordinary Shares A, Prosus Ordinary Shares B and/or Prosus Ordinary Shares N, as the case may be, provided that (i) each holder of a Prosus Ordinary Share A shall be entitled to one

fifth of the amount of the distribution made on each Prosus Ordinary Share N, multiplied by the percentage of Prosus Ordinary Shares N in the issued share capital of the Company not held by Naspers (the **Free Float Percentage**) and (ii) each holder of the Prosus Ordinary Shares B shall be entitled to one millionth of the amount of the distribution to which a holder of a Prosus Ordinary Share N is entitled.

**Restrictions on Free Transferability of the New Prosus Ordinary Shares N.** There are no restrictions under the Articles of Association, Dutch law or South African law that limit the right of holders of New Prosus Ordinary Shares N to hold Prosus Ordinary Shares N. The transfer of New Prosus Ordinary Shares N to persons who are located or resident in, citizens of, or have a registered address in, jurisdictions other than the Netherlands or South Africa may, however, be subject to specific regulations or restrictions according to their securities laws. Any transfers by South African exchange control resident shareholders of New Prosus Ordinary Shares N from the JSE to Euronext Amsterdam are subject to South African exchange controls.

**Dividend Policy.** Since its listing, the Company has paid one dividend of 11 Euro cents per Prosus Ordinary Share N and 0.602 Euro cents per Prosus Ordinary Share A in November 2020. The total dividend paid amounted to US\$215 million recognised in the financial results for the financial year ended 31 March 2021.

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

**The Cross-Holding Arrangement.** The implementation of the Exchange Offer (as defined below) is expected to create a cross-holding structure in terms of which Naspers will hold c. 57.2% of the issued Prosus Ordinary Shares N and Prosus will hold c. 49% of the issued Naspers N Ordinary Shares (including the Naspers N Ordinary Shares already held by Prosus immediately before launch of the Exchange Offer (as defined below)), after the implementation of the Exchange Offer (as defined below). After implementation of the Capital Restructure (as defined below), however, and because of the cross-holding structure, Prosus's free-float shareholders' effective economic interest in the underlying Prosus portfolio is expected to be c. 59.7% (larger than the c. 42.8% Prosus free-float direct holding of Prosus Ordinary Shares N). Naspers's free-float shareholders' effective economic interest in the underlying Prosus portfolio is expected to be c. 40.3%. To ensure efficient and effective ongoing interaction between Prosus and Naspers and that distributions will be made on a "terminal economic value" basis, the Company and Naspers have, on 27 May 2021, entered into a cross-holding agreement, the implementation of which is subject to certain conditions including the Exchange Offer (as defined below) becoming unconditional in accordance with its terms (the **Cross-Holding Arrangement**). This will provide Shareholders with certainty that the full extent of Prosus's free-float shareholders' effective economic interest in the underlying Prosus portfolio in distributions will be paid directly and efficiently at the Prosus level. The term "**terminal economic value**" refers to a terminal (i.e. effective) economic value distribution that requires that both Naspers and Prosus free-float shareholders receive distributions based on their ultimate underlying interests in the Group as if distribution had been made continuously a number of times through the cross-holding.

#### Where will the New Prosus Ordinary Shares N be traded?

**Application.** Application has been made to admit all of the New Prosus Ordinary Shares N to listing and trading on Euronext Amsterdam, under the symbol "PRX", and, as a secondary listing, on the Main Board of the JSE, under the abbreviated name "Prosus" and the symbol "PRX" in the "Technology—Internet" sector. Subject to the Admission to the JSE being granted, the New Prosus Ordinary Shares N will also be admitted to listing and trading on the A2X. The New Prosus Ordinary Shares N will trade in Euro on Euronext Amsterdam and in South African Rand on the JSE and the A2X.

#### What are the key risks that are specific to the Prosus Ordinary Shares N?

The following is a summary of selected key risks that relate to the New Prosus Ordinary Shares N:

- The interests of Naspers, as Prosus's majority shareholder, may differ from the interests of the holders of the New Prosus Ordinary Shares N. Immediately after delivery of the New Prosus Ordinary Shares N (**Settlement**), Naspers will remain in a position to control the Company as holder of more than 70% of the voting rights in respect of the Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N (collectively, the **Shares**). Such concentration of control over the Company could adversely affect the trading volume and market price of the Prosus Ordinary Shares N.
- Future offerings of debt or equity securities by the Company or offerings of Prosus Ordinary Shares N by Naspers, or the perception thereof, may adversely affect the market price of the Prosus Ordinary Shares N and any future issuances of Shares may dilute investors' shareholdings.
- The market price of the Prosus Ordinary Shares N may fluctuate substantially upon listing on Euronext Amsterdam, the JSE and the A2X.

#### Key Information on the Admissions

##### Under which conditions and timetable can I invest in the New Prosus Ordinary Shares N?

**Prosus EGM.** At the Prosus EGM, the following matters were approved in relation to the Transaction:

- (a) the voluntary exchange offer made by the Company to the existing Naspers N Shareholders on a *pro rata* basis in terms of which, among other things, the existing Naspers N Shareholders will be entitled, subject to certain term and conditions, to exchange their Naspers N Ordinary Shares for New Prosus Ordinary Shares N in accordance with the exchange ratio

- (**Exchange Ratio**) of 2.27443 New Prosus Ordinary Shares N for each tendered Naspers N Ordinary Share (the **Exchange Offer**);
- (b) the amendment of the Articles of Association to give effect to certain aspects of the Capital Restructure (as defined below), including, among other things, certain aspects of the Cross-Holding Arrangement and the creation of the Prosus Ordinary Shares B (the **Prosus Articles Amendment**);
- (c) the designation of the Board as the corporate body authorised to issue shares and exclude or limit pre-emptive rights; and
- (d) the authorisation of the Board to resolve that Prosus acquires shares in its own capital.

**Timetable.** The timetable below lists certain expected key dates for the Transaction.

Event <sup>(i)</sup>	Date (2021)
<b>Publication of this Prospectus and the Exchange Offer opens ...</b>	<b>Monday, 12 July</b>
Last day to trade in Naspers N Ordinary Shares to participate in the Exchange Offer .....	Tuesday, 10 August
Naspers N Ordinary Shares trade "ex" entitlement to participate in the Exchange Offer .....	Wednesday, 11 August
Cash value for fractional entitlements announced on JSE and A2X.	Thursday, 12 August
Exchange Offer closes at 12:00 .....	Friday, 13 August
Record date for the Exchange Offer at 17:00 .....	Friday, 13 August
<b>Issue of New Prosus Ordinary Shares N, Settlement of the Exchange Offer<sup>(ii)</sup>, and listing of such New Prosus Ordinary Shares N on Euronext Amsterdam, the JSE and the A2X<sup>(iii)</sup>, and implementation of the Prosus B Share Transaction (as defined below)<sup>(iv)</sup> and the Prosus A Share Capitalisation Issue (as defined below)<sup>(v)</sup> .....</b>	<b>Monday, 16 August</b>

- (i) These dates and times are subject to change and references to time are to Central European Summer Time/South African Standard Time. Any material changes will be announced in a press release published and placed on the Company's website (www.prosus.com) and on the JSE's Stock Exchange News Service and the A2X's New Service.
- (ii) Naspers N Shareholders that hold their Naspers N Ordinary Shares in certificated form (**Certificated Naspers N Shareholders**) and wish to participate in the Exchange Offer must bear in mind that the New Prosus Ordinary Shares N will not be issued in certificated form, such Certificated Naspers N Shareholders are reminded to appoint a custodian or broker of their custodian or brokerage account capable of holding dematerialised securities listed and trading on the A2X, the JSE or on Euronext Amsterdam (in the case of eligible Naspers N Shareholders that intend to make a Settlement Election (as defined below)) to participate in the Exchange Offer, failing which their New Prosus Ordinary Shares will be delivered into a nominee account to be held for and on behalf of such Certificated Naspers N Shareholders where the Company exercises its direction to treat their acceptances of the Exchange Offer as valid.
- (iii) New Prosus Ordinary Shares N are expected to list and commence trading on Euronext Amsterdam, the JSE and the A2X on Monday, 16 August 2021 (the **First Trading Date**) and the trades executed on the First Trading Date are expected to settle two trading days after a trade is executed on Euronext Amsterdam and on three trading days after a trade is executed on the JSE and the A2X. Trades in the New Prosus Ordinary Shares N on Euronext Amsterdam will be settled in the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.) trading as Euroclear Nederland (**Euroclear Nederland**), in the case of eligible Naspers N Shareholders that made valid elections to receive their New Prosus Ordinary Shares N on Euronext Amsterdam in accordance with the terms and conditions of the Exchange Offer (the **Settlement Election**), and on the JSE in the case of all other Naspers N Shareholders that did not, or are not eligible to, make Settlement Elections. Trades in the New Prosus Ordinary Shares N on the JSE (and the A2X) will be settled in the system operated by Strate for dealings in uncertificated securities listed on, among others, the JSE that take place on the JSE and for dealings in certificated securities listed on, among others, the JSE that take place off-market (the **Strate System**). Settlement of trades in New Prosus Ordinary Shares N will take place two trading days after a trade is executed through the book-entry systems of Euroclear Nederland, in the case of Euronext Amsterdam, and three trading days after a trade is executed in the Strate System, in the case of the JSE and the A2X.
- (iv) The issuance of 1,128,507,756 Prosus Ordinary Shares B to Naspers against payment of a subscription price in cash, to ensure that Naspers continues to hold 72% of the aggregate issued equity shares in Prosus after the implementation of the Capital Restructure (as defined below) (the **Prosus B Share Transaction**). The subscription price for the Prosus Ordinary Shares B is €0.05 for each Prosus Ordinary Share B; the subscription amount for the 1,128,507,756 Prosus Ordinary Shares B in total will be €56,425,387.80. The proceeds will be used for general corporate purposes.
- (v) The *pro rata* capitalisation issuance, subject to Settlement of the Exchange Offer, of Prosus Ordinary Shares A to the Prosus A Shareholders required under the Articles of Association (the **Prosus A Share Capitalisation Issue**), and together with the Exchange Offer, the Prosus Articles Amendment, and the Prosus B Share Transaction (including all steps, actions and transactions required to implement Prosus A Share Capitalisation Issue, the Exchange Offer, the Prosus Articles Amendment and the Prosus B Share Transaction), the **Capital Restructure**. The Prosus Ordinary Shares A issued under the Prosus A Share Capitalisation Issue will not have a subscription price as this constitutes a *pro rata* capitalisation issue to the Prosus A Shareholders in accordance with the Articles of Association.

**Details of the Admissions.** If the Exchange Offer does not become unconditional in accordance with its terms and conditions, the Admissions will not proceed.

**Estimated Expenses.** The expenses related to the Transaction payable by the Company are estimated at €122.1 million and include, among other items, securities transfer taxes, the fees due to the AFM, Euronext Amsterdam N.V., and JSE Limited as well as legal and administrative expenses, fees to the Financial Advisers (as defined below), publication costs and applicable taxes, if any. No expenses will be charged to investors by the Company in respect of the Transaction.

## Why is the Prospectus being produced?

**Reasons for the Transaction.** By August 2019, Naspers's size on the JSE, at c. 25.9% of the JSE Shareholder Weighted Index (SWIX), had become untenable. Many South African-based investors have single share limits and mandate restrictions, which led to a forced selling of Naspers shares as it meaningfully outperformed the JSE. It is believed that this forced selling contributed to a widening of Naspers's discount to net asset value (NAV). To begin addressing this structural issue, Naspers listed the Company on Euronext Amsterdam. The Prosus listing unlocked US\$16 billion of value for shareholders at the time of execution and successfully reduced Naspers's size to c. 18.4% of the SWIX. Prosus's strong performance, however, made it clear that further action would be required. Since the Prosus listing, the value of the Group's portfolio has rapidly increased in line with the significant outperformance of consumer internet companies in 2020/2021. As a result, Naspers's weight on the benchmark SWIX has risen back to c. 23.3% in April 2021, again contributing to the widening of the discount to NAV. Due to the overlap in the underlying asset portfolio of Naspers and Prosus, the Naspers share price and its relative discount to NAV has a potential indirect impact on the Share price of Prosus which may have negatively impacted, and dragged upward, the discount to the NAV of Prosus. There has been a correlation in the directional move of the discount to NAV at which Naspers and Prosus has traded, albeit that Prosus has, since its listing in September 2019, consistently traded at a lower discount to its underlying NAV than Naspers. Had Naspers not taken action in 2019, Naspers's weight on the SWIX would now be in excess of 30%, an untenable position for one company and one unmatched on any other major international exchange. Additionally, the investments in social platforms, Food Delivery, Classifieds, Edtech and Fintech are expected to continue to grow significantly faster than other sectors on the JSE in the future. Given Naspers's current and rising concentration on the JSE and its expected future performance, it is important to sustainably right-size Naspers and Prosus on their respective exchanges. Inaction is not to be viewed as a reasonable option as it is almost certain to exacerbate the current problem and set Naspers on a path to representing more than 30% of the SWIX. This forced selling will also negatively impact interest from international investors and negatively affect foreign direct investment inflows into Naspers. In developing a solution, in consultation with leading advisers, Naspers and Prosus conducted a careful and comprehensive evaluation of all options available. The chosen approach is assessed to be the optimal one for the business right now. This approach is highly efficient and implementable, and Naspers and Prosus believe it enhances optionality to unlock value upon executing the transaction and in the future. Naspers and Prosus assessed many other potential options and determined that none of these options delivered the same level of regulatory approval certainty nor did they achieve a similar outcome in terms of size and lasting effect. In this context, the Company and Naspers have decided to pursue the Capital Restructure, including, in particular, the Exchange Offer, for the following reasons: (i) it is expected to create immediate value for holders of Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N, (while Prosus's free-float shareholders' voting rights are expected to dilute from approximately 26.8% to 13.5% after Settlement, it is expected that Prosus's free-float shareholders will experience a NAV per Share uplift of approximately 6.5%); (ii) Naspers N Shareholders participating in the Exchange Offer will receive a value benefit from exchanging higher discount to NAV Naspers N Ordinary Shares for lower discount to NAV Prosus Ordinary Shares N (if Settlement of the Exchange Offer would have occurred on 11 May 2021 (the date before announcement of the Capital Restructure) that value benefit for participating Naspers N Shareholders would have been approximately 10%<sup>2</sup>); (iii) it directly and sustainably addresses a significant driver of the Naspers discount to its NAV, by almost halving its weighting on the SWIX, while maintaining Naspers's standing as the largest JSE listed South African domiciled company by market capitalisation; (iv) it fundamentally improves the investment profile of Prosus by increasing its free-float materially, with an expected commensurate increase in overall trading liquidity, market index weightings and positive trading dynamics (post-Transaction, Prosus is expected to be a Top20 of EURO STOXX 50 Index company; Naspers remains the largest shareholder in Prosus and an improvement in Prosus's investment profile benefits Naspers); (v) it maintains Naspers's South African domicile status and ensures the company has sustainable, clear and lasting control of Prosus, with Prosus remaining a controlled foreign company of Naspers and maintaining its current tax status and tax obligations under South African law; and (vi) the Capital Restructure preserves Naspers's and Prosus's optionality to take further steps in the future to continue to address the discounts to NAV of both Prosus and Naspers.

**Net Proceeds.** The Exchange Offer will be effected in accordance with the Exchange Ratio. Therefore, no direct new proceeds will result from the Exchange Offer.

**Material Conflicts of Interest Pertaining to the Admissions.** Each of Goldman Sachs Bank Europe SE and Morgan Stanley & Co. International plc is acting as a financial adviser to the Company (together, the **Financial Advisers**). Each of the Financial Advisers to the Company, the Company's cross-border settlement agent, the Company's listing and paying agent for Euronext Amsterdam and the Company's JSE sponsor (together with their respective affiliates, the **Advisers**) have from time to time been engaged, and may in the future engage, in commercial banking, investment banking and financial advisory, lending services and ancillary activities in the ordinary course of their business with the Group and/or Naspers and its consolidated subsidiaries or any parties related to any of them for which they have received or may receive customary compensation, fees and/or commission. The Advisers and/or their respective affiliates may provide such services in the future. In particular, certain Advisers are lenders under the Group's revolving credit facility that provides, among other things, for up to US\$2.5 billion of borrowing availability in U.S. Dollars, or the U.S. Dollar equivalent of any currency which is readily available and freely convertible into U.S. Dollars, under which the Company is the borrower. Each director of the Company (a **Director**) is also a director on the Naspers board of directors. On the date on which the final step of the Capital Restructure is implemented, it is expected that certain Directors will hold direct and indirect beneficial interests in Prosus Ordinary Shares A and Prosus Ordinary Shares N. Certain Directors will also have direct and indirect beneficial interests in Naspers A Ordinary Shares and Naspers N Ordinary Shares.

<sup>2</sup> The value benefit that a Naspers shareholder receives in respect of the New Prosus Ordinary Shares, is based on the difference between (i) its participation in the underlying NAV of Naspers and the discount at which Naspers's shares trade to their NAV, compared to (ii) the participation it will hold in Prosus's NAV as a result of the Exchange Offer and the discount at which Prosus's Shares trades to its NAV. Based on the share prices of Naspers and the Share price of Prosus and the underlying NAV of their respective asset portfolios as of 11 May 2021 (the last day of trading before the announcement of the proposed transaction) represents a 10% increase in value.

## RISK FACTORS

*Any investment in the new ordinary shares N in the capital of Prosus N.V. (**Prosus** or the **Company**) with a nominal value of €0.05 each (the **New Prosus Ordinary Shares N**), issued to holders (the **Naspers N Shareholders**) of the ordinary shares N in the issued share capital of Naspers Limited (**Naspers**) with a nominal value of ZAR0.02 each (**Naspers N Ordinary Shares**) in exchange for their Naspers N Ordinary Shares in accordance with the exchange ratio (**Exchange Ratio**) of 2.27443 New Prosus Ordinary Shares N for each tendered Naspers N Ordinary Share (the **Exchange Offer**), is subject to a number of risks. Prior to investing in the New Prosus Ordinary Shares N, prospective investors should carefully consider risk factors associated with any investments in the New Prosus Ordinary Shares N, the Company and its subsidiaries' (together the **Group**) business and the industry in which the Group operates.*

*Prospective investors should note that the risks relating to the Group, the industry in which the Group operates and the New Prosus Ordinary Shares N are the risks that the Group believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the New Prosus Ordinary Shares N. However, as the risks which the Group faces 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 the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's business, prospects, results of operations or financial position and, if any such risk should occur, the price of the New Prosus Ordinary Shares N may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the New Prosus Ordinary Shares N is suitable for them in light of the information in this prospectus (the **Prospectus**) and their circumstances.*

### RISKS RELATED TO PROSUS'S BUSINESS

***Prosus is a holding company with no revenue-generating operations of its own.***

The Company's business is carried out through its operating subsidiaries, associated companies and joint ventures. Payments from the operating subsidiaries to Prosus might not be able to be made in some circumstances, due to corporate law or contractual or other legal restrictions. In addition, where the Group does not hold controlling interests in the applicable entities, it may not be able to control or influence such entities' dividend policies. As such, any liquidity constraints or lack of financing faced by the Group or its businesses could have an adverse effect on Prosus's business, financial condition, results of operations and prospects. See "*Risks relating to the Group's businesses*" below for a further description of certain of these risks.

### RISKS RELATING TO THE GROUP'S BUSINESSES

***The Group operates in highly competitive and rapidly changing market sectors. Increased competition or failure to adapt to technological change or changes in consumer preferences could have a negative impact on the Group's business, financial condition, results of operations and prospects.***

The consumer internet sector is characterised by rapid technological evolution, changes in user requirements and preferences, and the frequent introduction of new or enhanced products, services and technologies. Owing to increased internet penetration in growth markets and growing adoption of online retail among internet users in the markets where the Group operates, 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. In order to succeed, the Group must continue to stay abreast of continually evolving sector trends and to improve the Group's own products, services and platforms in terms of responsiveness, functionality and features. The Group's 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 the Group's businesses. As a result, in order to attract and retain users, achieve scale and compete against their competitors, the Group's businesses must continue to invest significant resources to enhance the Group's products, services, technologies and platforms. Furthermore, although the Group is 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 the Group's competitors and may not achieve widespread market acceptance or generate incremental revenue or trading profits. If the Group is unable to develop or adapt to such new technologies, or if the technologies it develops or adapts are inferior, or if the Group is unable to identify investment opportunities that focus on such future technologies, the Group's business may be materially adversely affected.

Changes in user behaviour resulting from technological developments or the availability of alternative services or products may also affect the Group's businesses. The Group's ability to remain competitive and develop successful services and products depends on the Group's ability to predict accurately and to anticipate such changes in user behaviour and demand, which the Group may not be able to do successfully, or at all. The Group may be required to continue to invest significant resources and to increase the Group's capital expenditures to further adapt to these changes. Additionally, the Group's long-term success depends on the continued development and use of the internet by consumers, as well as increasing internet and mobile phone penetration. Critical issues affecting these trends, including concerns about data privacy, security, network reliability, costs and capacity constraints potentially resulting in delays, transmission errors and other difficulties, may impact the growth of internet platforms and Ecommerce. If internet access or mobile phone penetration in these markets develops more slowly than expected, or any of the above-mentioned factors materialise, the Group's growth strategy could be adversely affected.

The Group's 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 the Group does. These companies may compete with the Group by using their experience and resources to compete with the Group's 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 the Group 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 the Group's businesses and may be able to bring their products and services to the market more rapidly.

In addition to other consumer internet companies, the Group's businesses often compete with traditional or offline businesses. For example, the Group's Food Delivery segment competes with telephone-based and walk-in takeaway food services, and the Group's Payments and Fintech segment faces competitive pressure from traditional financial institutions as well as non-digital payment methods. Similarly, the Group's Etail segment, which includes business-to-consumer 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 prioritise physical locations over online platforms, which could negatively affect the Group's platforms.

If the Group's businesses are unable to compete successfully, the Group's 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 the Group's 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 characterised 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 the Group and its businesses, including the Group's employees, customers, users, suppliers, vendors, banking partners, business partners and businesses in which the Group has minority investments.

Some of the Group's business segments and the industries in which the Group operates have been adversely impacted by the Covid-19 pandemic. For example, in the Group's Classifieds segment, the Group experienced decreased revenues and user levels due to a reduced volume of cars being sold in the Group's OLX Autos business, as inspection centres for cars are closed due to government restrictions on premises serving customers. In its Food Delivery businesses, the Group experienced new requirements and restrictions on operations, which changed rapidly and varied significantly by country and locality, as well as the imposition of governmental policies and regulations with respect to food delivery services and the food and beverage industry in general.

In its Payments and Fintech segment, the Group saw a reduction in transaction volumes for verticals such as airlines and hotels, as a result of governmental authorities imposing travel restrictions and lockdowns. In India, a key market for the segment, the Group experienced delays in obtaining any necessary regulatory approvals due to disruptions in the functioning of government departments, as well as delayed performance of settlement and other service obligations to merchants due to impacts on partner verticals such as airlines, land transport, freight transport, hotels, tourism and travel, cinema tickets and manufacturing caused by government restrictions and lockdown measures. In addition, the Group saw delays on performance of loans due to loss of employment or other means of income for borrowers or their households, together with increased medical and day-to-day expenses of borrowers. While certain liquidity enhancing measures have been taken by the central government and the Reserve Bank of India to counter the economic impact of the Covid-19 pandemic, banks may adopt a cautious "wait and watch" approach which may affect the ability of banks to enter into new commitments for credit facilities to the credit business in India. With the possibility of new, more virulent, mutations of the Covid-19 virus emerging and the possibility of a third Covid-19 wave in India, together with the existing disruptions in supply chains and logistics, strain on care facilities and vaccine availability, these factors may continue to adversely impact the Group's business and results of operations for an uncertain duration of time.

Across all businesses, the Group saw volatility in user and revenue growth rates, which may not be indicative of long-term trends or results, and places additional strain on managerial and technological resources. In addition, the Group experienced increased risk of disruptions to and 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 can be disruptive to the Group's businesses. The Group saw increased cyber and payment fraud risk, as cybercriminals attempted to profit from 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; and significant foreign exchange volatility, which can materially impact the Group's revenues or cost elements, as well as the Group's ability or strategy to hedge the Group's foreign exchange exposure. Additionally, the Group saw volatility in debt and equity markets which can affect the Group's ability to raise financing in debt capital markets and the valuations of the Group's equity holdings and the realised gains or losses on the disposition of those holdings. While the Group's businesses have largely recovered from the negative impacts of the pandemic to date, the situation is continuing and there can be no guarantee that the Group will not experience these impacts again.



The Covid-19 pandemic has required and is likely to continue to require significant management attention and substantial investments of time and resources across the Group's operations. As a result of the pandemic and to support the health and wellbeing of the Group's employees, customers, users, partners and communities, the Group has made significant modifications to the Group's 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 the Group's 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 the Group's business continuity plans, negatively impact productivity, give rise to claims by employees, and impair the Group's ability to manage its business or otherwise adversely affect the Group's business. The Company may take further actions as may be required by government authorities or that the Company determines are in the best interests of the Group's 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 the Group's business, financial condition, results of operations, prospects and liquidity will depend on numerous evolving factors that the Group cannot predict, including the duration and scope of the pandemic; and 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 measures required to recoup the significant public expenditure, 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 the Group's access to capital. In addition, the Group cannot predict the impact that Covid-19 will have on the Group's employees, customers, users, suppliers, vendors, business partners and businesses in which the Group has minority investments, and their respective financial conditions, and any significant negative impact on these parties could materially and adversely impact the Group. These impacts, individually or collectively, could have a material adverse impact on the Group's 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 Prospectus, any of which could have a material impact on the Group.

***Tencent's performance will have a material impact on the Group's results of operations on an economic interest basis and the Group's financial condition.***

As of 31 March 2021, the Group held a 30.86% effective interest in Tencent Holdings Limited (**Tencent**), representing 62% of the Group's total assets on a carrying value basis as at that date. Following the Group's sale of 191,890,000 shares in Tencent (or approximately 2% of Tencent's issued share capital in April 2021), the Group holds a 28.86% interest in Tencent. The Group's share of Tencent's revenue, on an economic-interest basis, represented 77% of the Group's total revenue during FY 2021. The Group has also committed not to sell any further Tencent shares for at least the next three years. The fair value of the Group's 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**). As of 6 July 2021, the Group's 28.86% interest in Tencent was worth approximately US\$199 billion (based on a share price of HK\$559.00 on 6 July 2021 and an exchange rate of US\$1 to HK\$7.7670). As a result of the relative size of the Group's investment in Tencent, the relative success of Tencent's operations, the market price of Tencent's shares and dividends paid by Tencent will continue to have a material impact on the Group and its results of operations on an economic-interest basis, financial condition and liquidity.

As Tencent's business and operations are substantial in the Mainland of China, its business, the market price of its shares and ability to pay dividends may be influenced to a significant degree by economic, political and social conditions in the Mainland of China generally, including weak economic growth or a recession in the Mainland of China, as well as the regulatory environment. Economic conditions in the Mainland of China are sensitive to changes in domestic economic and regulatory policies and the expected or perceived overall economic growth rate in the Mainland of China, as well as global economic conditions. Trade tensions between the United States and the Mainland of China could undermine the stability of the global economy or the

economy of the Mainland of China. Any prolonged slowdown in the global economy and the economy of the Mainland of China 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 which, in turn, could adversely affect the market price of the Prosus Ordinary Shares N. See "*—Risks Relating to Markets in which the Group Operates—Global and regional economic and financial conditions could have a material adverse effect on the Group's 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 has experienced a degree of uncertainty in terms of regulatory approvals in its key domestic market. 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 video game 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. Although the suspension in 2018 was subsequently lifted, online games may be subject to tighter scrutiny during the review process and 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 which, in turn, could adversely affect the market price of the Prosus Ordinary Shares N.

Other than the online game industry, Tencent operates several other highly regulated businesses and is subject to a number of laws and regulations including those governing, among others, the internet and telecommunications industries, virtual currencies, online video and music, online/mobile financing products and cloud services. Any failure or perceived failure to comply with all applicable laws and regulations may result in legal proceedings or regulatory actions against Tencent and could have a material adverse effect on Tencent's business, results of operations and prospects.

The Group's investment in Tencent is also subject to PRC regulations that place limitations on foreign ownership in companies that provide value-added telecommunications services and other related services in the Mainland of China. Currently, Tencent conducts its value-added telecommunications businesses in the Mainland of China through certain domestic 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 "*—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 laws*" and "*—If the Structure Contracts are found not to comply with PRC laws, Tencent could be subject to penalties and could be forced to relinquish its interest in its value-added telecommunications services and related business in the Mainland of China*". In Tencent's 2020 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 regulatory authorities and courts of the PRC may in the future take a view that is contrary to the position of Tencent's PRC legal advisers. If the Structure Contracts were found to violate PRC laws, this could have a material adverse effect on Tencent's operations, the price of Tencent's shares or the ability of Tencent to pay dividends which, in turn, could adversely affect the market price of the Prosus Ordinary Shares N.

The Group's investment in Tencent is also subject to other risks, including those related to the legal and regulatory environment in the Mainland of China and for Chinese companies operating and investing abroad, see "*—Risks Relating to Markets in which the Group Operates—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on the Group's investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*".

***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 laws.***

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 laws. For example, the Structure Contracts contain provisions which may not be enforceable under PRC laws, 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 laws that addresses the resolution of any conflict between PRC laws and the laws of the Cayman Islands (where Tencent is organised and existing) 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 the Group Operates—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on the Group's investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*".

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

Since the enactment of the Foreign Investment Law of the PRC (the **Foreign Investment Law**) in March 2019, and the issuance of the Interpretations on Certain Issues Regarding the Applicable of Foreign Investment Law by the Supreme People's Court in December 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 regulatory authorities or the courts of the PRC find that the Structure Contracts do not comply with PRC 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 the Mainland of 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 the Group Operates—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on the Group's investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*".

***The Group has invested, and will continue to invest, substantial amounts to develop and promote the Group's businesses and their platforms. Certain of these investments may continue to be loss-making and may never be profitable.***

The Group continues to invest heavily across many of the Group's businesses. Some of these businesses are loss-making, have negative operating cash flows, require significant capital expenditure and/or may never be profitable or cash generating. The Group may experience difficulties developing the Group's businesses into profitable or cash-generative operations due to a variety of factors, many of which are beyond the Group's control. These factors may include:

- the effectiveness of the Group's marketing efforts to promote its platforms;

- the popularity of the Group's platforms, products and services among users, and consequent ability of those platforms to achieve scale;
- 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 the Group depends and any instances of cyber-attacks.

The business models of most of the Group's businesses, including those in the Group's Classifieds, Food Delivery, Payments and Fintech, 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 the Group's resources and capital over a long period of time. There is no assurance that such marketing efforts will be successful or that the Group will be able to monetise these businesses. The Group cannot predict whether such platforms will ultimately yield a return on the Group's investment. The Group may ultimately fail to recoup its investment in such platforms or businesses. The Group has, for example, had to incur impairment charges in respect of certain of the Group's businesses in the periods presented in this Prospectus. In FY 2021, impairment charges amounted to US\$98 million (FY 2020: US\$31 million) related to Ecommerce businesses as well as associates and joint ventures which had shown a decline in performance from the prior year and, specifically, a joint venture which closed operations in certain regions. Similar or higher levels of impairment may recur in future periods.

Some of the Group's businesses require significant investment to drive growth and have not reached sufficient scale to record trading profits, such as the convenience transaction businesses in the Group's Classifieds segment, credit businesses in the Group's Payments and Fintech segment, business in the Group's Food Delivery segment and certain of the Group's Etail businesses. 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 the Group will not recover such losses or realise the desired return on the Group's investments. In addition, even when the Group's businesses achieve profitability, such as certain of the Group's Classifieds businesses, there can be no assurance that such businesses will be able to sustain profitability or that the value of the Group's businesses will not decrease, whether due to general changes in valuations for internet companies or otherwise.

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

If the Group is unable to develop its businesses into profitable or cash-generative operations, it could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Each of the Group's 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 the Group.***

The Company is a company that operates and invests in consumer internet businesses. Accordingly, each of the Group's 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. The Group's 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 the Group's 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, the Group's 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 the Group's 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, utilisation 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, the Group and its businesses' servers may be vulnerable to computer viruses, break-ins and similar disruptions from unauthorised tampering with, and/or cyber-attacks on, such computer systems. The Group and its businesses may be required to expend significant capital and other resources to protect the Group's 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 publicised, the Group's reputation or users' trust in the relevant business could be materially damaged and the user base or utilisation of the relevant platform may decrease. See "*—Unauthorised use or disclosure of confidential information or personal data, whether through cybersecurity breaches or otherwise, may expose the Group to fines, liability, litigation and damage to the Group's reputation*".

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

***Unauthorised use or disclosure of confidential information or personal data, whether through cybersecurity breaches or otherwise, may expose the Group to fines, liability, litigation and damage to the Group's reputation.***

The Group's businesses, particularly the Group's 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 the Group's artificial intelligence capabilities and diverse technologies. The Group and its businesses are responsible for safeguarding personal data or other confidential information and must comply with strict data protection laws and contractual obligations when dealing with such personal data or confidential information in the jurisdictions in which the Group operates. Complying with the numerous and complex regulations to which the Group is subject may be expensive and difficult, and failure to comply with these regulations or with related contractual obligations could subject the Group to increased regulatory scrutiny and additional liability, including in jurisdictions with historically

varied approaches to regulatory enforcement. Although the Group seeks to ensure that procedures are in place for compliance with relevant data protection and contractual obligations within the Group's businesses and any third-party service providers, such measures may not be effective in all cases. Certain jurisdictions in which the Group operates 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.

The Group's 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, ransomware, spam attacks or malware), human error, intentional acts of sabotage and similar events. The Group has from time to time experienced disruptions in the Group's systems due to such errors or cyber-attacks that target sensitive information, integrity and the continuity of the Group's services. The Group's 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 unauthorised access, loss, misappropriation or misuse of information could result in significant reputational damage, liability, fines, legal proceedings or regulatory actions or inquiries against the Group or the Group's businesses by governmental authorities, commercial partners or individual customers. The occurrence of any of the above could have a material adverse effect on the Group's or any of the Group's businesses' reputation, business, financial condition, results of operations and prospects.

***The Group does not exercise control over its minority investments, and the value and liquidity of the Group's stakes in such investments could decrease.***

Following the Group's sale of 191,890,000 shares in Tencent (or approximately 2% of Tencent's issued share capital) in April 2021, the Group holds a 28.9% effective interest in Tencent. As of 31 March 2021, the Group holds a 27.3% effective interest in the Mail.ru Group Limited (the **Mail.ru Group**), a 24.99% effective interest in Delivery Hero SE (**Delivery Hero**), a 41.2% 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**). The Group's minority voting position precludes it from controlling these businesses, limits the Group's ability to implement strategies that it favours and allows the businesses to adopt strategies and take actions which may, in some cases, be contrary to the Group's preferred strategies and actions. In addition, the Company may not be able to influence such businesses' dividend policies. The Group's 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 the Group's business, financial condition, results of operations and prospects. See "*—Risks Relating to the Group's Financial Condition—The Group depends on access to cash flows from the Company's subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect the Group's business, financial condition, results of operations and prospects*" and "*Loss of key personnel or the inability to attract and retain qualified personnel could have a negative impact on the Group's operations and the operation of the Group's businesses.*".

Moreover, the Group's 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 "*—Tencent's performance will have a material impact on the Group's results of operations on an economic interest basis and the Group's 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 the Group's associated companies could have a material impact on the Group, its results of operations on an economic-interest basis and the Group's financial condition.

***The Group's future growth will depend on the Group's ability to identify consumer trends that address major societal needs in growth markets.***

The Group's strategy focuses on consumer internet solutions that address major societal needs in high-growth markets. Accordingly, the Group needs 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. The Group may not be able to identify large consumer trends or suitable business concepts in the future. Even if the Group successfully identifies such trends or suitable business concepts, the Group may fail to fully understand them or their associated risks, and the business plans or market estimates underlying the Group's decision to invest may prove to be inaccurate. The Group may also be unable to distinguish between business concepts with potential for long-term success and those with only limited potential. The Group may realise, 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 the Group's core strategy.

The Group focuses its investments on markets that it believes 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 the Group currently believes or that the Group will be able to identify growth markets in the future. The Group's success in these markets depends 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 and regulatory 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 the Group's businesses target sectors that are typically considered forms of discretionary spending, such as the Group's Food Delivery and Etail segments, or are otherwise affected by levels of discretionary spending, such as the Group's Payments and Fintech segment, the Group may be particularly at risk of negative economic performance during recessionary or other periods in which consumer spending or disposable income decreases.

The Group is also focused on expanding to verticals that complement the Group's existing businesses, which may alter the Group's 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 the Group's Classifieds segment the Group has expanded into transactions adjacent to some of the Group's Classifieds verticals; for example, the Group has invested into a few cash-my-car type businesses which offer customers, who may otherwise consider selling their car through the Group's Classifieds platform, a safe and convenient alternative to bring it to an inspection centre 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 the Group's Classifieds platforms. As a result of this expansion, the Group takes inventory risk for vehicles held by it for a short period of time. Furthermore, expanding into these services could subject the Group to new or heightened risks, such as increased exposure to counterparty credit risk, and the Group 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 the Group.

Furthermore, the Group competes 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 the Group competes may have substantially greater resources than the Group and there can be no assurance that the Group 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 the Group's strict investment criteria and may drive up prices for assets more generally.

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

***The Group depends on search engines and application marketplaces to direct users to the Group's platforms and to make the Group's platforms available to users.***

To be successful, the Group's businesses must achieve scale by deepening and broadening user engagement, achieving adoption across a large user base and creating network effects on the Group's platforms. The Group relies 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 the Group's platforms and to facilitate downloads of the Group's mobile apps. Any changes in mobile operating systems and application marketplaces that degrade the functionality of the Group's apps or give preferential treatment to the Group's competitors' apps could adversely affect the Group's platforms. If operating systems or application marketplaces limit the availability of the Group's apps, increase the cost of using the Group's apps, impose unsatisfactory terms of use or modify their search or ratings algorithms in ways that are detrimental to the Group, or if competing platforms are placed more prominently in application marketplaces or search engine results than the Group's platforms, the Group may be unable to maintain or increase the user base or utilisation of the Group's platforms. Any of the foregoing risks could adversely affect the Group's business, financial condition, results of operations and prospects.

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

The Group has experienced growth and development through acquisitions and investments (including through associated companies and joint ventures) in the past and continues to pursue acquisitions and investments in order to meet the Group's strategic objectives. Integrating the operations and personnel of acquired businesses is a complex process. The Group may not be able to integrate the operations, technology and rights of the Group's acquired businesses with the Group's operations without encountering unanticipated problems and costs. For example, many of the Group's acquired companies are bolt-on acquisitions intended to interact with the Group's existing internet platforms, and the Group 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 the Group's business. In addition, acquisitions and investments may decrease the Group's cash resources or increase the Group's level of indebtedness and contingent liabilities. There can be no assurance that the Group will be able to identify, acquire and successfully integrate additional companies in the future or that such acquisitions will perform as expected.

***Many of the Group's 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.***

The Group's 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.

The Group's Food Delivery and Etail segments rely on partners, vendors and suppliers to provide products and services. Within the Food Delivery segment, if restaurant partners experience difficulty servicing customer demands, producing quality food or meeting other requirements or standards, the reputation and brand of the Group's businesses could be damaged. Similarly, within the Etail segment, if the supply of merchandise from vendors were to significantly deteriorate for any reason, the Group's 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 the Group's companies and platforms. These interruptions may be due to events that are beyond the Group's control or the control of such third parties, including, among others, inclement weather, natural disasters, transportation disruptions and labour unrest.



The risk of such an interruption occurring is especially heightened in growth markets, where many businesses in the Group's 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 the Group's business, financial condition, results of operations and prospects*".

***The actions of individual users, customers, delivery personnel, partners or other third parties could expose the Group to legal claims and liability.***

The Group is not able to control or predict the actions of platform users and third parties, either during their use of platforms (for example, in the Group's Classifieds, Food Delivery and Etail segments) or otherwise, and the Group may be unable to protect or provide a safe environment for delivery personnel, customers and consumers as a result of certain actions by other users, 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 the Group's Classifieds, Food Delivery or Etail segment. In addition, if users, delivery personnel, or individuals impersonating these people, engage in criminal activity, misconduct or inappropriate conduct or use platforms of the Group's businesses as a conduit for criminal activity, users, customers or business partners may not consider the Group's 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 the Group's Classifieds, Food Delivery and Etail segments to attract platform users may be harmed, and the Group's business and financial results could be adversely affected. Further, the Group 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 the Group's Food Delivery and Etail segments, or even when delivery personnel, customers or consumers, or third parties, are not actively using the Group's platform.

***Failure to maintain relationships with the Group's third-party vendors, service providers and strategic partners could have a material adverse effect on its business, financial condition, results of operations and prospects.***

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

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

Certain of the delivery personnel in the Group's Food Delivery segment and investments are engaged as independent contractors rather than employees. The legal status of delivery personnel is the subject of court cases in several countries, including a case brought by the Labour Prosecution Office of the State of São Paulo against iFood, the Group's Food Delivery business in Brazil. iFood won this case in the first instance, but an appeal case is still ongoing. In addition, municipal, state and federal governments and authorities in various countries are developing new laws and regulations, in some cases with a view to classifying such personnel as employees (or similar) 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 require adjustments to current business models in the applicable businesses and adversely affect the results of operations.

***Loss of key personnel or the inability to attract and retain qualified personnel could have a negative impact on the Group's operations and the operation of the Group's businesses.***

The Group relies on a number of experienced employees with detailed knowledge of its business and the markets in which the Group operates. Unanticipated losses of key employees or the inability to identify, attract and retain qualified personnel in the future could adversely affect the Group's business operations. There is a global shortage of suitable talent in relation to the Group's sectors and the technologies the Group utilises, particularly with respect to digital skills, including software developers, product designers, machine learning and artificial intelligence specialists, which could constrain the Group's ability to develop the Group's business or achieve the desired scale for the Group's operations. In addition, some of the Group's businesses depend on the knowledge, expertise and services of the respective founders of such businesses for their success. If one or more of such key employees 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 the Group fails to maintain brand recognition and trust in its brands, its businesses may face difficulty in attracting and retaining new users and business partners.***

Maintaining the recognition of, and trust in, the Group's brands and the Group's businesses is a critical aspect of the Group's efforts to grow the Group's user base, obtain additional business partners and maintain competitiveness. The Group's main competitors also have established brands and the Group is continuing to take steps to increase and strengthen the Group's brand recognition. The Group may experience difficulties maintaining brand recognition and trust due to a variety of factors, many of which are beyond the Group's control, including:

- changes in the pricing, availability or quality of the products or services offered on the Group's platforms;
- actual or perceived changes to the security and reliability of the Group's platforms;
- competitors having more (or more effective) marketing or brand promotion campaigns than the Group's businesses;
- user complaints about the Group's 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 the Group's businesses or other businesses in the same sectors.

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

***Certain of the Group's businesses are subject to inventory risk.***

Certain of the Group's businesses, for example eMAG within the Etail segment, sell products directly to consumers. Businesses such as these are faced with the constant challenge of balancing inventory levels with the ability to meet consumer demand. The Group's 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. Failure to match inventory levels with actual demand may have a material adverse effect on the businesses' results of operation.

In addition, within the Group's Classifieds segment, the Group has expanded into transactions adjacent to some of the Group's Classifieds verticals; for example, the Group has invested into a few cash-my-car type businesses which offer customers the opportunity to sell their vehicle to the business for cash, rather than selling it themselves via the Classifieds platform. Such cars are subsequently sold within a short timeframe through various sales channels including car dealer networks present on the Group's Classifieds platforms. As a result of this expansion, the Group takes inventory risk for vehicles held by the platform for a short period of time. If this inventory exceeds demand and the business is unable to sell this inventory within the desired period or for the desired price, this could have a material adverse effect on the results of operations.

***The Group relies on insurance to cover certain risks related to its business and operations. Changes to the insurance market, premiums, availability or scope of insurance coverage, policy terms and conditions or exclusions could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.***

The Group relies on insurance to cover certain risks related to its business and operations, including general liability, cyber risks and director and officer liability. Businesses of the Group may provide personal injury, sickness or life insurance to employees or workers. In some cases, there may be a limited pool of insurance providers who can provide the requisite policy coverage, resulting in limited choice and less competitive terms being available to the Group or business. If premiums increase or the scope of insurance is limited, the Group may not be able to find an alternative, resulting in increased costs or reduced or no coverage. In addition, unfavourable changes to policy terms and conditions, or the expansion of exclusions, may result in the Group being unable to make a claim or not being fully covered by insurance. If the Group does not have adequate insurance coverage in respect of certain events, this could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

***Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to Environmental, Social and Governance (ESG) performance and policies may impose additional costs on the Group or expose the Group to additional obligations or risks.***

Companies across all industries are facing increasing scrutiny related to ESG issues, including those relating to sustainable development, renewable resources, environmental stewardship, supply chain management, climate change, diversity and inclusion, workplace conduct, employee well-being, human rights, philanthropy and support for local communities. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices, performance and disclosures and, in recent years, have placed increasing importance on the environmental and social cost and impact of their investments. The increased focus and activism related to ESG and similar matters may hinder access to or increase the cost of capital, as investors and lenders may decide to reallocate capital or not to commit capital as a result of their assessment of a company's ESG practices. Although the Group is a low carbon business and is increasingly embedding sustainability in its business activities and decision making, if it fails to meet applicable standards or expectations with respect to these issues across all of its operations and activities, including voluntary commitments the Group may make, its reputation and brand image could be damaged, the Group may lose access to certain capital or investors, and its business, financial condition and results of operations could be adversely impacted. In addition, while the Group seeks to report its ESG practices and performance in alignment with the EU non-financial reporting directive and to engage with leading sustainability rating agencies and other stakeholders, the directive and ratings providers may not be the same as those evaluated by its stakeholders, may emphasise different aspects of ESG practices and performance, or may not accurately reflect the Group's ESG performance in certain respects. In addition, changes in consumer and market demands, regulatory requirements and other ESG-related considerations may negatively impact the Group's performance on key ESG indicators or otherwise impact the Group's reputation and brands and accordingly its business, financial condition and results of operations.

## RISKS RELATING TO THE GROUP'S FINANCIAL CONDITION

*The Group depends on access to cash flows from the Company's subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect the Group's business, financial condition, results of operations and prospects.*

The Company is a holding company without business operations and assets other than interests in the Company's subsidiaries, associated companies and joint ventures. To meet the Group's obligations and cash flow requirements and to pursue the Group's strategy, the Company utilises funding through a combination of distributions from the Company's subsidiaries, associated companies and joint ventures, bank financing, divestments of holdings in certain companies and liquidity from the capital markets. The Company's 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 the Group or to each other, whether by intercompany loans or payment of dividends. As a result, dividend flows from the Company's subsidiaries, associated companies and joint ventures could be volatile and some of the Group's businesses have a limited track record of paying dividends, or have never paid dividends. For example, dividends and cash extractions received from the Company's subsidiaries, associated companies, joint ventures and other investments increased by 1% between FY 2021 and FY 2020.

The Group's ability to utilise the cash flows from the Company's 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 the Company's 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, the Company may not be able to obtain cash from the Company's subsidiaries, associated companies and joint ventures at the times and in the amounts that the Company requires. Any failure by the Group to obtain distributions from its businesses could restrict the Group's funding and the Group's ability to meet the Group's obligations or pursue the Group's strategy.

In addition, the Group's businesses may face funding and liquidity restrictions under the terms of the financing arrangements upon which the Company depends. Each of the Group's businesses with external funding relies on the Group's own separate credit facility and financing, to the extent that the Group's business balance sheet allows for financing. Several of the Group's financing arrangements, including the Group's US\$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 the Company and its consolidated subsidiaries to, at all times, maintain a ratio of Net Debt (as defined below) to Value (as defined below) that does not exceed 20%. As at the date of this Prospectus, the Company is 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. Similarly, the Company Notes (as defined below) contain 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 relevant paying agency agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding relevant Company Note to accelerate the amounts due. In addition, many of the Group's 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 the Group or its businesses could have an adverse effect on the Group's business, financial condition, results of operations and prospects.

*The Group may incur more debt in the future.*

Subject to the terms and conditions of the Company Notes (as defined below), the Group's existing notes and its Revolving Credit Facility, the Company and its 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 the Group's assets. Any such incurrence of additional indebtedness could exacerbate the related risks that the Group now faces.

***The Group's ability to invest in its businesses and execute its strategy could be adversely affected by a combination of currency, liquidity, interest rate and credit risks as well as the availability of and restrictions on the use of capital.***

A number of the Group's businesses require significant investment. The Company currently utilises funding through a combination of the Group's operating cash flow from the Company's 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 the Group's control, particularly with respect to bank financing and liquidity from the capital markets. In addition, the Company has a significant amount of debt, with the Group's total debt amounting to US\$8.2 billion as of 31 March 2021 (with an additional US\$2.5 billion of additional undrawn capacity under the Group's Revolving Credit Facility). The Group's debt levels could increase the Group's sensitivity to such market conditions and other factors.

The Group's ability to invest in the Group's businesses and execute the Group's strategy could be adversely affected by any combination of the following factors:

- *Share repurchases:* In November 2020, the Company commenced a share repurchase programme to acquire up to US\$5.0 billion of the Company's Shares and Naspers shares, which was completed on 21 June 2021. Pursuant to this programme, US\$1.37 billion of Prosus Ordinary Shares N and US\$3.63 billion of Naspers N Ordinary Shares were acquired. In addition, in connection with the voluntary Exchange Offer to be made by Prosus to the existing Naspers N Shareholders on a *pro rata* basis in terms of which, among other things, the existing Naspers N Shareholders will be entitled, subject to its certain terms and conditions, to exchange their Naspers N Ordinary Shares for New Prosus Ordinary Shares N in accordance with the Exchange Ratio of 2.27443 New Prosus Ordinary Shares N for each tendered Naspers N Ordinary Share, the Company has announced that the Board may authorise the Company to repurchase up to US\$5 billion of Prosus Ordinary Shares N post implementation of the Exchange Offer. Share repurchase programmes have and may continue to consume a significant amount of the Group's investment capital and the Group is limited in terms of its ability to raise further capital without negatively impacting its investment grade credit rating. As a result, the Company's ability to invest in its businesses or execute its strategy could be impaired.
- *Foreign exchange:* The Group's activities and businesses expose the Group 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, Hong Kong Dollar, Romanian Leu and Polish Złoty. A substantial portion of the Group's businesses and investments have revenue and expenses denominated in the local currency of the countries in which they operate, or in respect of the Group's listed investments, shares trading in a currency other than U.S. Dollar, while the Group's 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 the Group's results of operations as it decreases the value of the Group's profits generated in these local currencies in U.S. Dollar terms. In particular, as a result of the Group's substantial stake in Tencent, and the Group's reliance on Tencent for 77% of the Group's revenue on an economic-interest basis during FY 2021, the Company is 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 the Group's shareholding and annual dividend from Tencent) against the U.S. Dollar. In addition, since the acquisition of the Group's stake in Delivery Hero during FY 2018, the Company is exposed to foreign exchange translation risk as a result of this investment being denominated in Euros, which may result in losses when translated to U.S. Dollars in the Group's financial statements. Any such fluctuations in currency exchange rates could negatively affect the Group's profitability and impair the Group's ability to invest in the Group's businesses or execute the Group's strategy.

- *Liquidity:* Although the Company seeks to maintain sufficient liquidity through a combination of the Group's cash reserves, operating cash flow from the Company's 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 the Group not being able to obtain financing for expansions of the Group's existing businesses, acquisitions or other elements of the Group's strategy. If the Company is unable to obtain financing on acceptable terms, or the economic climate deteriorates, the Group's ability to invest in the Group's businesses or execute the Group's strategy could be impaired. See also "*—The Group depends on access to cash flows from the Company's subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect the Group's business, financial condition, results of operations and prospects*".
- *Interest rates:* The Group's financial debt and short-term investments expose it to fluctuations in interest rates. As of 31 March 2021, almost all of the Group's gross outstanding financial debt accrued interest at a fixed rate, while the floating rate Revolving Credit Facility was undrawn. As of 31 March 2021, the Company had US\$3.6 billion invested in term deposits for periods of up to 12 months to secure fixed interest rates on the Group's surplus cash. The Company also uses interest rate swaps from time to time to convert floating rates into fixed rates. As of 31 March 2021, there were no interest rate swaps outstanding. Unfavourable market movements in interest rates could have a negative effect on the Group's earnings and cash flows, as increasing interest rates would have a negative impact on the finance costs related to the unhedged portion of the Group's indebtedness, while decreasing interest rates would have a negative impact on the Group's income on the Group's deposits. If such movements, or their impact on the Group's earnings and cash flows, were significant, the Group's ability to invest in the Group's businesses and execute the Group's strategy could be impaired.
- *Credit risk:* The Company faces 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 honour a payment obligation, such a loss will negatively impact the Group's results of operations and cash flows, which, in turn, could impair the Group's ability to invest in the Group's businesses and execute the Group's strategy. Whereas the Company has adopted policies to manage the Group's 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:* The Group's financing arrangements contain financial covenants that could limit the Group's ability to finance or refinance its future operational and capital needs, including investments in its businesses, and could impair the Group's ability to execute its strategy and pursue certain business activities that may be in the Group's interest.

If, as a result of any combination of the above factors, the Company is unable to invest in its businesses and execute the Group's strategy, including as a result of its inability to access additional borrowings, its business, financial condition, results of operations and prospects could be materially and adversely affected.

***Certain changes in accounting or financial reporting standards or interpretations issued by standard-setting bodies for IFRS-EU may adversely affect the Group's reported revenue, profitability and financial results.***

The Group prepares its financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS-EU). IFRS-EU is periodically revised and new accounting pronouncements, as well as new interpretations of existing accounting pronouncements, could affect the Group's reported revenue, profitability and financial results. In general, changes in IFRS-EU could have a significant impact on the amount or timing of the Group's reported earnings, valuation of liabilities or assets,

and classification of financial instruments between equity and liability on either a retrospective or prospective basis. Non-compliance with accounting and disclosure requirements could result in significant penalties.

## LEGAL AND REGULATORY RISKS

***The Group is required to comply with numerous, complex, constantly evolving and sometimes conflicting legal and regulatory requirements in multiple jurisdictions, and could suffer adverse financial, operational or reputational impact due to non-compliance.***

The Group's 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, the Group is impacted by the laws and regulations of the various jurisdictions within these markets, including those concerning, among other things, competition and antitrust, foreign investment, labour, data protection and privacy, platforms and online content, intellectual property, corporate, tax, financial services, anti-money laundering, anti-bribery and anti-corruption and sanctions and export controls. In addition, the Company is subject to the rules of the markets on which its Shares and Company Notes (as defined below) are listed and traded, namely Euronext Amsterdam, the JSE and the A2X Markets (A2X) and Euronext Dublin. These laws, regulations and rules 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 or being applied in an unpredictable way. This risk is particularly acute for the Group's smaller or less mature businesses and recent acquisitions. There can be no assurance that the Group's 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 the Group's businesses or investments did not comply with applicable laws and regulations, even if unfounded, may, in addition to legal and financial consequences, negatively impact the Group's reputation.

In addition, the Group's Payments and Fintech segment, including PayU Global B.V. and its subsidiaries (PayU), and the Group's 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. The Group's Payments and Fintech segment operates in many jurisdictions that either currently, or will in the future, implement regulations for payments processing, including regulations in respect of authorisation, approval, licensing or permission to carry out business. There is a level of complexity that the Group's Payments and Fintech segment faces in terms of interpreting, complying with and tracking changes to licensing requirements. Although the Group seeks to monitor the regulatory status of its activities across all the jurisdictions in which the Group operates, it is not always possible to determine whether its Payments and Fintech segment conducts activities that are, or are treated by regulators as amounting to, regulated activities. In jurisdictions where the Group's activities are not currently regulated, new regulations may be introduced in the future, which could result in increased costs, more onerous compliance obligations or changes to the Group's business model. Any such regulatory change or any failure on the Group's part to obtain the relevant authorisation, approval, licence or permission, or any change in a regulator's interpretation of such requirements, could materially impact the Group's 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 25 November 2015 on payment services in the internal market (PSD2), 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 these regulations or other regulations that may become applicable to the Group in the future, the Group may incur additional costs and administrative burdens and if the Group's procedures are deemed by the relevant regulator to be inadequate, the Group could be exposed to fines or other penalties.

Finally, many of the Group's 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 the Group's interpretations, and are inconsistently enforced.

Any inability on the Group's part or those of the Group's businesses to comply with such regulations could have a material adverse effect on the Group's 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 the Group 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 the Company operates that could materially impact the Group's ability to invest in certain markets or have a negative impact on the Group's operations.

Foreign direct investment (**FDI**) screening regimes are being introduced or broadened in several jurisdictions. For example, in April 2020, India amended its FDI policy to require investors from countries sharing a land border with India to obtain approval of new transactions.

In the United States, effective February 2020, the scope of FDI review by the Committee on Foreign Investment in the United States was expanded to cover not only transactions that result in foreign control of U.S. businesses, but also non-controlling investments in U.S. business involved in certain sensitive sectors (including those involving critical technology or sensitive personal data of U.S. citizens). In October 2020, the EU introduced a new FDI regulation which provides a cooperation framework and rules for national screening. In Russia, FDI legislation has been amended in recent years to expand the Prime Minister's powers to submit transactions to screening, to allow the imposition of certain requirements on foreign investors (such as the transfer of technology or intellectual property) and to restrict offshore companies entering into certain transactions where disclosure requirements are not met. Where applicable to transactions pursued by the Group, these regimes increase the Group's compliance burden and risk, as well as the risk that a transaction is delayed or cannot be completed. Where transactions are competitive, the Group may suffer a competitive disadvantage compared to parties that are not subject to such regimes (for example, local companies). Being unable to complete transactions, or having a competitive disadvantage in a merger and acquisition context, could prevent the Group from being able to fully execute its strategy and therefore have a material adverse effect on the Group's performance and results of operations.

On 26 July 2019, the Russian State Duma introduced a draft law (the **SIR Bill**), which, if enacted, would, among other things, 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 "significant information resource" (**SIR**), being certain websites, webpages, information systems and/or software. 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 the Group's business interests in Russia (such as Mail.ru Group and PayU). The SIR Bill was withdrawn in late 2019 and has been returned for redrafting. 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. If the SIR Bill were passed in its original format, the Group could be forced to decrease its interest in any SIR business, which could have a material adverse impact on the Group's performance and results of operations.

See also: "*Risks Relating to Markets in which the Group Operates—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on the Group's investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations*".

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 the Company is able to give an assurance of the Group's continuity of identity (i.e. that the Company will not, after entering a country or securing a licence, be taken over by unknown entities with whom the country or regulator may be uncomfortable). The Company relies on the 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*.



***Competition and consumer protection laws are evolving in many countries and may result in increased regulation for the Group's businesses, while strengthening of the Group's market position could result in increased regulatory scrutiny.***

Competition and consumer protection laws in the countries in which the Group operates are evolving due to technological and market developments, and regulatory authorities may increase their regulation of the Group's businesses as a result. For example, the Russian government's anticipated amendments to competition laws to specifically cater for the digital economy (known as the Fifth Anti-Monopoly Package), which sets market domination criteria for digital platforms and substantially increases the regulator's operational powers during merger control procedures, could impact the Group's businesses in Russia. In the PRC, the Anti-monopoly Commission of the State Council promulgated the Anti-Monopoly Guidelines for Internet Platforms (the **Guidelines**) on 7 February 2021. The Guidelines prohibit certain monopolistic acts by internet platforms in order to protect competition and safeguard the interests of users and businesses participating in the internet platform economy, including but not limited to prohibiting platforms with a dominant position from abusing their market dominance (such as using big data and analytics to discriminate between customers in terms of pricing and other transactional conditions, coercing counterparties into exclusivity arrangements, using technology means to block competitors' interfaces, favourable positioning in search results of goods displays and using bundling to sell services or products and compulsory collection of unnecessary user data). In addition, the Guidelines reinforce regulatory review for transactions related to internet platforms in order to safeguard market competition. As the Guidelines are relatively new, it is still uncertain and difficult to estimate their specific impact, but the Guidelines will be applicable to all participants in online platform businesses, such as Tencent, and could result in increased scrutiny of or restrictions on Tencent's business.

To the Group's knowledge, a certain number of PRC internet companies, including Tencent, adopt a Variable Interest Entity structure (a **VIE structure**), but there have been few precedents where internet companies with a VIE structure were investigated for being involved in a concentration of undertakings until recently. It has been long debated whether transactions involving internet companies with a VIE structure are subject to prior filing of notification requirements, since filings of a notification of a concentration of undertakings made by several internet companies were not accepted in the past. Due to such regulatory history in the industry and as a matter of common industry practice in the past, Tencent did not file prior notification of concentrations of undertakings. In April 2020, the State Administration for Market Regulation (**SAMR**) published a case involving a concentration of undertakings where a VIE structure was involved (such case was closed in July 2020 and unconditional approval was granted). In November 2020, the Draft Anti-Monopoly Guidelines for Internet Platforms (the **Guidelines**) also, for the first time, expressly included concentrations involving a VIE structure within the ambit of the SAMR's merger control review if the reporting thresholds are triggered. Furthermore, in December 2020, the SAMR has, for the first time, formally penalised three internet companies with a VIE structure for failure to file prior notifications of implementing concentrations. Hence, starting from 2020, the SAMR has been reviewing historical cases of concentrations of undertakings of internet companies with a VIE structure, and past failures to file prior notification of concentration of undertakings may be investigated and penalised. On 7 February 2021, the Guidelines was officially promulgated which confirmed that the concentrations involving a VIE structure will be within the ambit of the SAMR's merger control review if the reporting thresholds are triggered.

Tencent may receive close scrutiny from government agencies under the PRC anti-monopoly law and the Guidelines in connection with its business practices, investments and acquisitions. Any anti-monopoly lawsuit or administrative proceeding initiated against Tencent may result in it being subject to profit disgorgement, heavy fines and various constraints on its business, or result in negative publicity which could harm its reputation and results of operations. Tencent has previously received a penalty from the SAMR related to its failure to file prior notification of concentrations of undertakings; for example, in March 2021 and in December 2020, each of Tencent and one of its subsidiaries, China Literature Limited, received from the SAMR an official notice of the imposition of a fine of RMB500,000, respectively, due to the foregoing reasons. There can be no assurance that Tencent or any of its subsidiaries will not be subject to more penalties in the future. These constraints could include forced termination of any agreements or arrangements that are determined to be in violation of PRC anti-monopoly laws, required divestitures and limitations on certain

business practices, which may limit its ability to continue to innovate, diminish the appeal of its services and increase Tencent's operating costs. These constraints could also enable Tencent's competitors to develop websites, products and services that mimic the functionality of its services, which could decrease the popularity of its marketplaces among sellers, buyers and other participants, and cause its revenue and net income to decrease materially, which may in turn result in a material adverse effect on the Group.

Where the Group or its associates have a leading position in a market, the Group may be subject to more stringent supervision by the relevant regulators or at greater risk of investigation for alleged abuse of the Group's position in such markets, which could result in adverse regulatory action by the relevant authorities, including monetary fines and negative publicity.

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

The Group's 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. The Group's businesses may require approvals from, or certain formalities to be completed with, public officials. As a result, the Group is exposed to the risk that the Group's employees, agents or other representatives could offer or make improper payments or offer or grant benefits in violation of anti-corruption laws and regulations. In addition, the Group's businesses, and the Group's 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 and the introduction of the Fifth Anti-Money Laundering Directive. Although the Group has 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 the Group's or one of the Group's businesses' reputation and repeated compliance failures could call into question the integrity of the Group's or one of the Group's businesses' operations.

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

***The Group may be subject to litigation or governmental investigations that could harm or disrupt the Group's business.***

Due to the international nature and scale of the Group's operations, the Group may be subject to private legal claims or legal or administrative action taken by governmental bodies due to non-compliance with legal requirements in many different jurisdictions. Such litigation and actions may be subject to uncertainty of outcome and may result in an adverse outcome for the business concerned. Adverse outcomes could include monetary damages, injunctive relief, loss of rights or permissions, or other remedies that could materially adversely affect the Group's businesses and the Group's financial results. Even if legal claims are without merit, defending against significant lawsuits could be time-consuming, costly and divert management's attention from other business concerns.

In addition, the content that the Group makes available to customers through the Group's platforms could result in legal claims against the Group 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 the Group's platforms. See "*—The Group's consumer internet platforms may be used for illegal or improper purposes, and the Group 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 the Group to enter into royalty or licensing agreements which may not be available on terms acceptable to the Group, 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. The Group may incur significant costs defending these claims.

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

***The Group's consumer internet platforms may be used for illegal or improper purposes, and the Group may be subject to penalties or legal or regulatory actions or reputational damage.***

The Group faces risks with respect to fraudulent and illegal activities on the Group's consumer internet platforms. Certain of the Group's platforms, such as those operated by Dante International S.A. (eMAG), OLX Global B.V. (OLX Global) 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 the Group can suspend the accounts of users who engage in fraudulent or deceptive conduct or fail to fulfil their obligations to other users, the Group does 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 the Group's platforms could damage the Group's reputation and negatively affect the Group's business, financial condition, results of operations and prospects.

In addition, users of the Group's Classifieds platforms may not 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 the Group's platforms have resulted in it 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 the Group. In certain circumstances, third parties, including government regulators and law enforcement officials, have alleged that the Group's platforms aid and abet violations of certain laws, including laws regarding the sale of counterfeit items. Such allegations and suits may force the Group to pay substantial penalties or to modify the Group's business practices in a manner that increases costs, lowers revenue, makes the Group's platforms less convenient to users, and requires the Group to spend substantial resources, take additional protective measures or discontinue certain service offerings in order to combat these practices.

The Group's Payments and Fintech platforms may also 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, the Group may be held liable by merchants or card networks or other related third parties arguing that any failure to prevent the use of the Group's payment services for illegal purposes constitutes a breach of the Group's duty of care vis-à-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 the Group, 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 the Group's business, financial condition, results of operations and prospects.

***Regulation of the internet and Ecommerce sectors is evolving and may change quickly in a way that requires changes to the Group's business models, inhibit the Group's ability to grow its businesses, or adversely affect the Group's businesses by increasing its compliance burden and costs, as well as the risk of non-compliance.***

Government regulation and legal uncertainties may place administrative and financial burdens on the Group's business. In addition to the regulations and laws that apply generally to businesses, the Group is subject to a

number of laws and regulations specifically governing the internet and Ecommerce. These laws and regulations cover, for example, business-to-business and consumer-to-business relationships, data privacy, data retention and data residency, status of, and protections for, platform workers and the use of Artificial Intelligence/Machine Learning (AI). 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 the Group's ability to grow the Group's businesses, or adversely affect the Group's businesses by increasing costs and administrative burdens, as well as the risk of non-compliance and associated consequences.

For example, privacy-related regulation of the internet is becoming more prevalent across countries and such regulations could interfere with the Group's collection and use of personal data as part of the Group's business operations. In particular, the European Union General Data Protection Regulation (the **GDPR**) imposes strict conditions and limitations on the processing, use and transmission of personal data. Relevant government authorities and courts may construe GDPR requirements in a manner that requires swift changes to business operations and commercial agreements, which can adversely affect the Group's ability to maintain a steady state of compliance with such requirements. Further, other jurisdictions have recently proposed or enacted laws similar to the GDPR, which would impose additional restrictions on the Group's operations, such as the Brazilian General Data Protection Law, which came into force in August 2020, and the recently proposed Indian Personal Data Protection Bill. A number of such laws contemplate 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, Regulation (EU) 2019/1150 of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services (the **EU Platform-to-Business Relationships Regulation**) came into force on 12 July 2020. Certain of the Group's businesses, primarily in the Classifieds 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.

In December 2020, the European Commission presented two new legislative packages called the Digital Services Act (the **DSA**) and the Digital Markets Act (the **DMA**). The DSA is aimed at increasing transparency and combatting disinformation with the goal of protecting users of digital platforms. The DSA rules are adapted to today's business models and include new digital service providers such as app stores, media-sharing platforms and marketplaces. The DMA will broaden the EU's competition and antitrust law framework and is likely to introduce specific new rules for large online platforms with significant network effects acting as gatekeepers in the EU's internal market, as well as new market investigation powers for the European Commission. Both proposals for EU regulations have entered the legislative process within the EU institutions, which can bring substantial change to their content. Adoption by the EU Council and the European Parliament is expected for mid-2022 at the earliest, and the entry into force is unlikely to occur before 2023.

In April 2021, the European Commission presented its draft proposal for a regulation laying down harmonised rules on AI, known as the AI Act (**AIA**). The AIA aims to ensure that AI applications in the EU are deployed safely and to prevent consumer harm. It would prohibit certain AI use cases and proposes rules for high-risk AI applications that would require the Group to implement a governance and AI risk assessment process, among other requirements. Complying with these requirements may impact the speed to market for deploying AI by the Group operating in the EU. There is also a risk that certain AI applications may not be approved within the proposed scheme, which could have an impact on business efficiency and innovation opportunity. In its current form, the draft AIA would create new enforcement powers for appointed regulators, including the ability to issue fines of up to 6% of an undertaking's global turnover. The legislative process is at an early stage and the draft requires the agreement of the European Parliament and the Council of the EU, so entry into force after a one-year grace period is unlikely to occur before 2024.

In 2018, Russia introduced new rules on data retention, requiring businesses like Avito and Mail.ru Group to store internet user messages and metadata for a specified period in Russia, as well as provide national security and law enforcement authorities with access to such data. Another regulation from 2018 introduced certain hardware and software requirements with respect to such information storage. In 2019, Russia also introduced legislation aimed at increased national sovereignty over the internet (known as the Sovereign Internet Law), which applies to businesses like Avito and Mail.ru. This law requires Russian web traffic and data to pass through points controlled by state authorities and the use of specific information technology (IT) systems and software.

The law with respect to platform workers is evolving in many countries, with the legal status of these workers in some cases being determined to be, or reclassified as, employees or quasi-employees, rather than contractors, or being granted certain additional benefits. In 2020, India introduced a new Code on Social Security 2020 which extended certain labour protections to platform workers and introduced a new social security fund, to which businesses like OLX and Swiggy are required to contribute between 1% and 2% of their turnover, limited to 5% of the pay-outs being made to platform workers.

There can be no assurance that the Group has been in full compliance with internet and Ecommerce-related laws and regulations 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 are relatively new and evolving, their interpretation and enforcement may be uncertain and could materially impact how the Group conducts its businesses.

The continued growth and development of Ecommerce may lead to more stringent consumer protection laws, which may impose additional costs or compliance burdens on the Group. 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 the Group to change business practices, including changing, limiting or ceasing altogether the collection, use, sharing or transfer of data relating to customers.

Furthermore, the Group adopts an innovation-centred 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 the Group's part to comply with applicable regulations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***The Group may be unable to adequately protect its intellectual property rights or may be accused of infringing the intellectual property rights of third parties.***

The Group relies 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 the Group's proprietary rights in the Group's intellectual property. The Group conducts 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 the Group's intellectual property rights is not well established or is uncertain. Even where the legal protection for the Group's intellectual property rights is well established, the Group's 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 the Group's intellectual property rights without the Group's authorisation. The Group 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 the Group's trademarks or other proprietary rights.

At the same time, the Group is subject to the risk that third parties may assert claims against the Group 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 the Group's technologies, processes or business models and methods may be found to infringe on the intellectual property rights of third parties. As a result, the Group may have to pay substantial damages if the Group is found to have infringed third-party patents or other intellectual property rights. Failure to enforce or protect the Group's proprietary rights, or to defend against allegations of infringement of proprietary rights of third parties, may result in loss of the Group's proprietary rights, legal liability, the incurrence of substantial costs, damage awards, reputational harm, loss of business profits or royalties, and the diversion of other valuable resources.

The Group currently holds 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, the Group may fail to acquire or maintain the use of domain names necessary for the Group's business in all of the jurisdictions in which the Group seeks to conduct business. The Group may also be unable to prevent or take remedial action against third parties from acquiring internet domain names or other online brand identities (e.g. social media pages or electronic messaging accounts) that are similar to, infringe upon or otherwise decrease the value of the Group's trademarks, domain names or other proprietary rights. If the Group is unable to protect the Group's domain names and/or control the use of domain names and other online brand identities incorporating the Group's trademarks, the Group's reputation and brand could be impaired and the Group could lose customers.

If the Group is, for any reason, unable to adequately protect the Group's intellectual property rights, or is accused of infringing the intellectual property rights of third parties, this could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

## **RISKS RELATING TO MARKETS IN WHICH THE GROUP OPERATES**

*The Group's international operations expose it to a variety of economic, social and political risks.*

The Group is 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 the Group and its investments are diversified across the individual markets where it sees growth potential, these markets tend to be in growth markets, which are generally subject to greater risk than more developed markets. As a result, the Group is 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 the Group's strategy and have a material adverse effect on the Group's business, financial condition, results of operations and prospects. 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 the Group to invest or operate in certain markets or cause financial loss*".

The Group's operations are carried out in a large number of foreign currencies, which exposes the Group to risk in connection with fluctuations or devaluations of currencies, which could affect the Group's results. For more information, see "*—Risks Relating to the Group's Financial Condition—The Group's ability to invest in its businesses and execute its strategy could be adversely affected by a combination of currency, liquidity, interest rate and credit risks as well as the availability of and restrictions on the use of capital*". The Group's businesses also have to analyse 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—The Group is required to comply with numerous, complex, constantly evolving and sometimes conflicting legal and regulatory requirements in multiple jurisdictions, and could suffer adverse financial, operational or reputational impact due to non-compliance*". In addition, financial and economic sanctions may be imposed or tightened by other countries or international organisations on the countries in which the Group's businesses operate, which could force the Group to dispose of certain of

its interests in such countries. See "*—Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on the Group's business, results of operations, financial condition and cash flows*". The Group's 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.

The Group also faces 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. The Group may find it more difficult to acquire the licences and other approvals needed to operate in these markets than local competitors. The Group 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, or have to comply with law and regulations which are not consistent or even conflict with standards that the Group has adopted elsewhere, or are generally accepted in other countries. In some cases, the Group may be treated unfairly or differently than other businesses and may face arbitrary or harmful actions, such as revocations of licences or other difficulties, with little or no means of recourse. As the Group continues to expand the Group's international operations, particularly within growth markets, the complications of operating in such countries may worsen and there can be no assurance the Group can manage them effectively, or at all, which could impact on the Group's strategy and have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

***Global and regional economic and financial conditions could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.***

The Group's financial performance and the performance of its 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 the Group operates, have suffered slowdowns and/or recessionary conditions over the past decade. These conditions were amplified by volatile credit and 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 the Group's financial performance and that of the Group's businesses will recover to prior levels in a short period of time, if at all. Further, during periods of adverse economic conditions, the Group and its 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 the Group's strategy on acceptable conditions, or at all.

In addition, although the Group is invested in a large number of markets around the world, a significant proportion of its capital is invested in growth markets, particularly in the Mainland of 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 tend 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 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 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 the Group's businesses.

In particular, there have been concerns about the relationship between China and the United States, following rounds of tariffs imposed by these countries on one another's goods and several executive orders directed at Chinese companies or their products and services. 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, the Group is exposed to changes in the Russian economy, in particular through Avito, Mail.ru Group 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. The Group is also exposed to changes in the Brazilian economy through the Group's 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 the Group's businesses and investments in these countries. See "*—Risks relating to the Group's businesses—The continuing impacts of Covid-19 are highly unpredictable and could be significant, and may have an adverse effect on the Group's business, financial condition, results of operations and prospects*".

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

The Group's investment in Tencent may be affected by uncertainty arising from new foreign ownership regulations in the Mainland of 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 1 January 2020 and replaced the laws regulating foreign investment in the Mainland of 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 the Mainland of 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 activity 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 State Council of the PRC. 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 State Council of the PRC 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 PRC laws and regulations. If either the regulatory authorities or the courts of the PRC find that the Structure Contracts do not comply with PRC 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 the Mainland of 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 State Council of the PRC 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 which may in turn result in an adverse effect on the market value of the Prosus Ordinary Shares N, which would significantly affect the Group's results of operations on an economic-interest basis and financial condition. For further information, see "*Risks relating to the Group's businesses—Tencent's performance will have a material impact on the Group's results of operations on an economic interest basis and the Group's financial condition*".

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

The Group's businesses and investments operate in a variety of jurisdictions, serving over 100 markets as of 31 March 2021. Tax laws, treaties and regulations in the jurisdictions in which the Group operates may change and there may be changes in enforcement of tax law. Additionally, tax laws, treaties and regulations are complex and subject to varying interpretations. The Group cannot be sure that its interpretations are accurate or that the responsible tax authority agrees with the Group's views. If tax laws, treaties or regulations change or the Group's tax positions are challenged by the tax authorities, the Company could incur additional tax liabilities, which could increase the Group's costs of operations and have a material adverse effect on the Group's 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 the Company is unsuccessful in defending the claim if negotiations or proceedings are protracted.

On 1 July 2021, as part of the G20/OECD Inclusive Framework program, 131 countries out of the 139 countries that are part of this program gave their support to a new two-pillar plan to reform international taxation rules and ensure that taxes paid by multinational enterprises are more aligned with economic activities and locations of operations. "Pillar One" of the plan would ensure a fairer distribution of profits and taxing rights among countries with respect to the largest and most profitable Multinational Enterprises (MNEs), including digital companies. It would also re-allocate some taxing rights from MNEs' home countries to the markets where they have business activities and earn revenues, regardless of whether firms have a physical presence there. "Pillar Two" seeks to put a floor on competition over corporate income tax, through the introduction of a global minimum corporate tax rate of at least 15% that countries can use to protect their tax bases, estimated to generate around US\$150 billion in additional global tax revenues annually. Additional benefits will also arise from the stabilisation of the international tax system and increased tax certainty for taxpayers and tax administrations. The timeline for conclusion of the negotiations includes an October 2021 deadline for finalising the remaining technical work on the two-pillar approach, as well as a plan for effective implementation in 2023.

As part of the deal, signatories have committed to abolishing their own digital service taxes. The planned introduction of a digital levy at EU level is not affected by the agreement, but is likely to be reconsidered in the context of a new global framework.

It is expected that the Group will, like other MNEs, be impacted by this new tax framework. The exact implications, including an estimate of the quantification of the impact per country, can only be made once more details about the program and the ways in which it will be implemented under domestic legislation of the participating countries is available.

***The Group's international activities increase the compliance risk associated with economic and trade sanctions imposed by the United States, the European Union and other jurisdictions.***

The Group is subject to complex economic and trade sanctions laws in the jurisdictions where the Group operates, 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, the Group could be required to adjust its 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 the Group's business, financial condition, results of operations and prospects.

***The U.S. government has issued certain executive orders that may have negative impacts on Tencent's business, and there can be no assurance that the U.S. government will not issue similar executive orders or other laws and regulations in the future.***

The Executive Order entitled "Securing the Information and Communications Technology and Services Supply Chain" (**Executive Order 13873**) was issued on 15 May 2019. Executive Order 13873 authorises the U.S. Secretary of Commerce to prohibit or condition information and communication technology transactions with entities under the jurisdiction of a "foreign adversary", as that term has been defined by the U.S. Secretary of Commerce (which names the PRC as a "foreign adversary" jurisdiction). The U.S. Department of Commerce promulgated regulations to implement provisions of Executive Order 13873, with its interim final rule effective as of 22 March 2021 (the rule is effective as of that date; however, the U.S. Department of Commerce may revise and issue a different final rule). The rule includes the processes and procedures that the U.S. Secretary of Commerce will use to identify, assess and address certain transactions which the U.S. Secretary of Commerce may prohibit or make subject to certain mitigation measures under Executive Order 13873. Given the broad scope of Executive Order 13873 and the U.S. Department of Commerce's implementing regulations, certain transactions conducted by Tencent may be adversely impacted.

In addition, the Executive Order issued on 19 January 2021 entitled "Taking Additional Steps To Address the National Emergency With Respect to Significant Malicious Cyber-Enabled Activities" (**Executive Order 13984**) required the U.S. Secretary of Commerce to propose regulations to require U.S. infrastructure as a service (**IaaS**) provider to verify the identity of any foreign person that obtains an account. Executive Order 13984 would also require that certain special measures be adopted if reasonable grounds (as described in the order) exist for relevant U.S. government agencies to conclude that a foreign jurisdiction has a significant number of foreign persons offering U.S. IaaS products that are used for malicious cyber-enabled activities or otherwise has a significant number of foreign persons directly obtaining U.S. IaaS products for use in malicious cyber-enabled activities. To date, the U.S. Secretary of Commerce has not promulgated regulations to implement Executive Order 13984 and it is currently uncertain if the Biden Administration will do so. If implemented, Tencent's cloud services and transactions with U.S. IaaS providers may be adversely impacted.

On 9 June 2021, President Biden issued an Executive Order entitled "Protecting Americans' Sensitive Data from Foreign Adversaries" (**Executive Order 14034**). Although Executive Order 14034 revoked Executive Order 13943, which sought to restrict the operation of WeChat in the United States, Executive Order 14034 also required, among other things, the Secretary of Commerce, in consultation with the heads of other U.S. government departments and agencies, to review the potential risks to U.S. national security and the sensitive data of U.S. persons related to the use of "connected software applications" designed, developed, manufactured or supplied by persons owned or controlled by, or subject to the jurisdiction or direction of, the PRC and certain other jurisdictions that the U.S. Department of Commerce has designated as "foreign adversary" jurisdictions pursuant to Executive Order 13873 and to report to the Office of the President additional recommended U.S. government actions to address these risks. Given the broad scope of Executive Order 14034, it is possible that additional U.S. government actions pursuant to this order may adversely affect Tencent's business if implemented.

The U.S. government has also taken steps to prohibit U.S. persons from transacting in publicly traded securities of certain identified Chinese companies. On 3 June 2021, President Biden issued Executive Order 14032 (**Executive Order 14032**), revising and superseding Executive Order 13959 (**Executive Order 13959**), as amended, which had prohibited U.S. persons from transacting in publicly traded securities of designated "Communist Chinese Military Companies" (**CCMCs**) as well as securities derivative of, or designed to provide investment exposure to, such securities. Executive Order 14032 largely retains the same prohibitions as Executive Order 13959, but replaces Executive Order 13959's criteria for designation in its entirety and places the authority to make designations with the U.S. Treasury Secretary. Executive Order 14032 extends

the designation criteria of Executive Order 13959 to include not only companies determined to operate, or which have operated, in the defence and related materiel sector of China's economy, but also those determined to operate or to have operated in the surveillance technology sector of China's economy. The U.S. Department of the Treasury's Office of Foreign Assets Control maintains a list of entities designated pursuant to Executive Order 14032, known as the "Non-SDN Chinese Military-Industrial Complex Company" list (**CMICs**), which replaced the prior CCMC list in its entirety. Although the prohibitions of the CMIC sanctions programme will not come into effect until 2 August 2021, a number of Chinese telecommunications companies have been designated as CMICs pursuant to Executive Order 14032. Pursuant to Executive Order 14032, the U.S. government has significant discretion to make or revise such designations, and if it were to do so, this could have a material adverse impact on a broader range of companies which may include Tencent.

Although, to date, none of Tencent's products, services and transactions have become prohibited as a result of the implementation of any of the above executive orders, there can be no assurance that these executive orders would not have an adverse effect on the operation of Tencent's business in the future, particularly if these executive orders are specifically implemented against its products or services in the United States. There is also no assurance that the United States will not issue additional executive orders or other laws or regulations that may adversely affect Tencent's business and financial conditions.

## **RISKS RELATING TO THE SHAREHOLDER STRUCTURE**

***The interests of Naspers, as Prosus's majority shareholder, may differ from the interests of the holders of the New Prosus Ordinary Shares N.***

The Company's issued share capital currently comprises Prosus Ordinary Shares A1 and Prosus Ordinary Shares N, each carrying one vote per share, for so long as the Protection Structure (as defined below) has not been activated. Naspers holds 72.49% Prosus Ordinary Shares N and Prosus Ordinary Shares A1 (73.02% when considering treasury shares held by the Company, which it intends to cancel), which represents 73.02% of the voting rights in respect of the Prosus Ordinary Shares N and Prosus Ordinary Shares A1. After the delivery of the New Prosus Ordinary Shares N under the Exchange Offer (**Settlement**), Naspers is expected to hold c. 57.2% of the issued Prosus Ordinary Shares N. In addition, as part of the Capital Restructure (as defined below), Naspers will acquire 1,128,507,756 Prosus Ordinary Shares B. Although Naspers's interest in Prosus Ordinary Shares N will decrease from 72.49% to 57.2%, Naspers has and will retain significant control over the Group's management and affairs and will be able to control all matters requiring approval by the Group's shareholders (other than amendments to the Articles of Association that adversely affect the rights attributable to certain classes of Shares), including the election or removal of Directors and approval of any significant corporate transaction, such as a merger or other sale of the Group or its 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 the Group 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 the Group without Naspers's support and may also discourage shareholder initiatives at changing the Group's management or strategy.

The Company has a protection structure under its 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 the Group's general meeting (*algemene vergadering*) (the **General Meeting**), the Protection Structure will be activated, and the Prosus Ordinary Shares A1, carrying one vote per share, will automatically convert to Prosus Ordinary Shares A2, carrying 1,000 votes per share. The majority of the Prosus Ordinary Shares A 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 Prosus Ordinary Shares A, which, if the Protection Structure is activated, will carry more than 50% of the total voting rights of the Prosus Ordinary Shares A and the Prosus Ordinary Shares N. In that case, Nasbel and Keerom will together directly control matters requiring approval by the Company's shareholders. Naspers, Nasbel and Keerom, individually or together, may have interests that differ from those of other shareholders

and may vote in a way that is adverse to the interests of other shareholders or in a way with which other shareholders disagree. The Protection Structure will also adversely impact a third party's ability to effect a change of control of the Company through a takeover offer or otherwise, which could limit the opportunity for shareholders to receive a premium for their Prosus Ordinary Shares N.

Naspers's control over the Company could adversely affect the trading volume and market price of the Prosus Ordinary Shares N, as could the Protection Structure if it is activated.

## **RISKS RELATING TO THE NEW PROSUS ORDINARY SHARES N**

***Future offerings of debt or equity securities by the Company or offerings of Prosus Ordinary Shares N by Naspers, or the perception thereof, may adversely affect the market price of the Prosus Ordinary Shares N and any future issuances of Shares may dilute investors' shareholdings.***

Naspers may sell its New Prosus Ordinary Shares N or the Company may issue additional Shares to investors at any time, resulting in potentially significant dilution to existing holders of New Prosus Ordinary Shares N if additional Shares are issued, and the market price of the New Prosus Ordinary Shares N could decline if a substantial number of Prosus Ordinary Shares N are sold by Naspers or Shares are issued by the Company, or if there is a perception that such sales or issuances could occur. In addition, any sale of Prosus Ordinary Shares N by Naspers could make it more difficult for the Company to raise capital through the issuance of equity securities in the future and may make it more difficult for investors to sell Prosus Ordinary Shares N at a time and price that they deem appropriate.

The Company may in the future seek to raise capital through public or private debt or equity financings by issuing additional Prosus Ordinary Shares N, debt or equity securities convertible into Prosus Ordinary Shares N or rights to acquire these securities, and exclude the pre-emptive rights pertaining to the then-outstanding Prosus Ordinary Shares N. At the Prosus EGM, the Board was, for a period of 18 months from the date of the Prosus EGM, authorised by the general meeting of shareholders as the competent body to resolve to issue shares and rights to subscribe for shares in the capital of the Company up to a maximum of 451,000,000 Prosus Ordinary Shares N, 950,000 Prosus Ordinary Shares A1 and 1,132,000,000 Prosus Ordinary Shares B, and to exclude or limit pre-emptive rights accruing to Shareholders in relation to the issue of shares or rights to subscribe for shares, for purposes of implementing the Capital Restructure (as defined below). These resolutions enable additional offerings or issuance of Shares by the Company, which result in a dilution of Shares owned by existing Shareholders. Given the fact that Naspers is and will remain the controlling parent of Prosus, holders of Shares other than Naspers have little influence on shareholder resolutions that may further increase the possibilities for the Board to issue Shares.

The Company may also in the future seek to issue additional Prosus Ordinary Shares N in the context of any new employment arrangement involving the Group's employees. Any additional offering or issuance of Prosus Ordinary Shares N by the Company, or the perception that an offering or issuance may occur, could have a negative impact on the market price of the Prosus Ordinary Shares N and could increase the volatility in the market price of the Prosus Ordinary Shares N.

***The market price of the Prosus Ordinary Shares N may fluctuate substantially upon listing on Euronext Amsterdam, the JSE and the A2X.***

There can be no assurance that an active trading market for the Prosus Ordinary Shares N will be sustained on either Euronext Amsterdam, the JSE or the A2X. If an active trading market fails to be sustained, investors may not be in a position to sell Prosus Ordinary Shares N quickly or at the market price. In addition, an illiquid market for the Prosus Ordinary Shares N may result in lower market prices and increased volatility. Furthermore, the liquidity of the Prosus Ordinary Shares N could be limited if investors were to favour trading in Naspers N Ordinary Shares over the Prosus Ordinary Shares N, whether due to the significant asset overlap between Naspers and the Company or otherwise.

The market price of the Prosus Ordinary Shares N could fluctuate substantially due to various factors, some of which could be specific to (i) the Group, (ii) its operations, (iii) the Exchange Offer, (iv) the sectors in which the Group operates, (v) equity markets generally or (vi) the *pro rata* capitalisation issuance (subject to Settlement of the Exchange Offer) of Prosus Ordinary Shares A to the holders of the Prosus Ordinary Shares A (**Prosus A Shareholders**) required under the Articles of Association (the **Prosus A Share Capitalisation Issue**) and/or (vii) the amendment of the Articles of Association to give effect to certain aspects of the Capital Restructure (as defined below), including, among other things certain aspects of the Cross-Holding Arrangement and the creation of the Prosus Ordinary Shares B (the **Prosus Articles Amendment**), and the issuance of 1,128,507,756 Prosus Ordinary Shares B to Naspers against payment of a subscription price in cash, to ensure that Naspers continues to hold 72% of the aggregate issued equity shares in Prosus after the implementation of the Capital Restructure (the **Prosus B Share Transaction**), including all steps, actions and transactions required to implement the Exchange Offer (together the **Capital Restructure**).

In addition, there can be no assurance that the Prosus Ordinary Shares N will not trade at prices that are lower than Naspers N Ordinary Shares, or at prices that are lower than or do not reflect the total valuation of the Group's interests in its businesses. There can be no assurance that the market price of the Prosus Ordinary Shares N will not decline regardless of the Company's actual performance.

***Naspers expects that Naspers has been a PFIC (as defined below) for prior taxable years and will be a PFIC for the current year, which may cause United States Holders (as defined below) to suffer adverse tax consequences in connection with the Exchange Offer. Moreover, although the Company does not expect to be treated as a PFIC for United States federal income tax purposes for the current year, no assurance can be given that the Company will not be a PFIC for the current year or any future taxable year.***

Naspers expects that it has been a passive foreign investment company for U.S. federal income tax purposes (**PFIC**) in prior taxable years and will be a PFIC for the current year. If Naspers was or is classified as a PFIC in any year that a United States Holder of Naspers N Ordinary Shares is a shareholder, Naspers generally will continue to be treated as a PFIC for that United States Holder in all succeeding years, which could cause United States Holders to suffer adverse tax consequences in connection with the Exchange Offer. These adverse tax consequences may be mitigated for United States Holders that have made certain tax elections, including a valid "*qualified electing fund*" election, with respect to their Naspers N Ordinary Shares. For more information, see "*Taxation—Taxation in the United States—Consequences of the Exchange Offer to United States Holders—PFIC Status of Naspers*".

Although the Company does not expect to be treated as a PFIC for the current year or any future taxable year, the analysis of whether the Company is considered a PFIC is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. In particular, the Company's PFIC status depends in part on the market values of the Company's direct and indirect holdings, which are uncertain and may be subject to fluctuation. If the Company is classified as a PFIC in any year that a United States Holder owns New Prosus Ordinary Shares N, the Company generally will continue to be treated as a PFIC for that United States Holder with respect to such New Prosus Ordinary Shares N in all succeeding years. If the Company is a PFIC in any taxable year during which a United States Holder owns such shares, such United States Holder may suffer adverse tax consequences. For more information, see "*Taxation—Taxation in the United States—Consequences of Owning and Disposing of the New Prosus Ordinary Shares N to United States Holders—PFIC Status of the Company*".

***If securities or industry analysts do not publish or cease to publish research reports on the Group's business, or adversely change or make negative recommendations regarding the Prosus Ordinary Shares N, the market price and trading volume of the Prosus Ordinary Shares N could decline.***

Whether there is an active trading market for the Prosus Ordinary Shares N and the market price of the Prosus Ordinary Shares N will be influenced by, among other things, the availability and recommendations of research reports covering the Group's business. If one or more research analysts cease to cover its business or fail to regularly publish reports on its business, the Company could lose visibility in the financial markets, which could cause the market price or trading volume of the Prosus Ordinary Shares N to decline. In addition, if

research analysts do not make positive recommendations regarding the Prosus Ordinary Shares N, or if negative research is published on the industry or geographic markets the Company serves, the price and trading volume of the Prosus Ordinary Shares N could decline.

***Certain holders of Prosus Ordinary Shares N outside the Netherlands may not be able to exercise pre-emptive rights in future offerings.***

In the event of an increase in the share capital of the Company, holders of Prosus Ordinary Shares N are generally entitled to full pre-emptive rights unless these rights are restricted or excluded either by a resolution of the General Meeting at the proposal of the Board or by a resolution of the Board (if the Board has been authorised by the General Meeting or the Articles of Association for this purpose). At the Prosus EGM, the Board was, for a period of 18 months from the date of the Prosus EGM, authorised by the general meeting of shareholders as the competent body to resolve to issue shares and rights to subscribe for shares in the capital of the Company up to a maximum of 451,000,000 Prosus Ordinary Shares N, 950,000 Prosus Ordinary Shares A1 and 1,132,000,000 Prosus Ordinary Shares B, and to exclude or limit pre-emptive rights accruing to holders of Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N (**Shareholders**) in relation to the issue of shares or rights to subscribe for shares, for purposes of implementing the Capital Restructure.

The securities laws of certain jurisdictions may restrict the Group's ability to allow participation by holders of Prosus Ordinary Shares N in future offerings.

In particular, holders of Prosus Ordinary Shares N in the United States (or who are U.S. Persons) or in certain other jurisdictions may not be entitled to exercise these rights unless either the rights and the Prosus Ordinary Shares N are registered under the U.S. Securities Act, or the rights and the Prosus Ordinary Shares N are offered pursuant to an exemption from, or transaction not subject to, the registration requirements of the U.S. Securities Act, or equivalent local securities laws. The exercise of these rights in the United States or by, or for the account or benefit of, U.S. Persons will be limited to persons who are Eligible U.S. Shareholders. The Group cannot assure prospective investors that any exemption from such overseas securities law requirements would be available to enable shareholders in the United States or certain other jurisdictions to exercise their pre-emptive rights or, if available, that the Group would utilise any such exemption.

***The payment of any future dividends will depend on the availability of sufficient distributable profits.***

The Company's ability to pay dividends to the holders of the Prosus Ordinary Shares N depends on the availability of sufficient distributable profits. Since the Company conducts its operations through its subsidiaries, associated companies and joint ventures, the amount of its distributable profits depends significantly on its subsidiaries, associated companies and joint ventures generating profits and distributing them to the Company. See also "*Risks Relating to the Group's Financial Condition—The Group depends on access to cash flows from the Company's subsidiaries, associated companies and joint ventures, as well as external financing arrangements, and limitations on accessing these funding sources may adversely affect the Group's business, financial condition, results of operations and prospects*". There is no assurance that distributable profits will be available in any fiscal year. Even if there are sufficient distributable profits available, the Company may not pay a dividend for a variety of reasons. The Company does not have a defined dividend policy and the payment of future dividends will depend on the Company's earnings, strategy, future outlook, financial condition and other factors, including regulatory and liquidity requirements, as well as tax and other legal considerations.

***Differences in exchange rates may have a material adverse effect on the value of dividends paid to South African shareholders.***

The Prosus Ordinary Shares N are denominated in Euro and South African Rand, and any dividends to be paid in respect of them will be denominated in Euro. Shareholders that hold Prosus Ordinary Shares N listed and trading on the JSE and the A2X (**JSE Investors**) will receive any cash dividend in South African Rand. The Euro to South African Rand conversion rate for JSE Investors will be communicated to these shareholders

before dividends are paid. As a result, JSE Investors may experience material adverse effects on the value of their dividends, as a result of movements in the exchange rate between the Euro and South African Rand.

***The rights and responsibilities of a shareholder are governed by Dutch law and may differ from the rights and obligations of shareholders under the laws of other jurisdictions.***

The Company's corporate affairs are governed by its Articles of Association, the board charter and the laws and regulations governing public companies incorporated in the Netherlands with equity securities admitted to listing and trading on Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V. (**Euronext Amsterdam**) and on the Main Board of the JSE and the A2X. Accordingly, the Company's corporate structure as well as the rights and obligations of its shareholders may be different from the rights and obligations of shareholders of companies incorporated under the laws of other jurisdictions.

The rights and responsibilities of the Board under Dutch law differ from the rights and responsibilities of a company's board of directors under South African law. For example, the provisions of Dutch corporate law and the Articles of Association have the effect of concentrating control over certain corporate decisions and transactions in the hands of the Board. As a result, holders of Prosus Ordinary Shares N may have less control over the actions of the Board than if the Company were incorporated in South Africa. Furthermore, Dutch law requires that, in the performance of its duties, the Board will need to consider the interests of the Company and its business, its shareholders, employees and other stakeholders, and it is possible that some of these parties will have interests that differ from, or are in addition to, the interests of shareholders.

The exercise of certain shareholder rights by shareholders outside the Netherlands may be more difficult and costly than the exercise of rights in a company incorporated under the laws of other jurisdictions. It may further be difficult for shareholders who are not familiar with Dutch corporate law and market practice to exercise their shareholder rights due to foreign legal concepts, language and customs. Resolutions of the General Meeting may be taken with majorities different from the majorities required for adoption of equivalent resolutions in companies incorporated under the laws of other jurisdictions. Any action to contest any of the Company's corporate actions must be filed with, and will be reviewed by, a Dutch court, in accordance with Dutch law.

***If the Company is dissolved, distributions to holders of Prosus Ordinary Shares N will be subordinated to the claims of creditors.***

If the Company is dissolved, the Company's assets shall be paid to secured creditors, preferential creditors (including tax and social security authorities) and unsecured creditors (including holders of the Company Notes (as defined below)), in that order. Insofar as possible, from the balance remaining after payment of the debts of the dissolved Company, a payment must first be made on each Prosus Ordinary Share A, for the *pro rata* part of the conversion reserve (*statutaire reserve*). Any remaining balance shall be transferred to the holders of Prosus Ordinary Shares A and Prosus Ordinary Shares N in proportion to the nominal value of each shareholder's holding in Prosus Ordinary Shares A or Prosus Ordinary Shares N, as the case may be, provided that each holder of a Prosus Ordinary Share A shall be entitled to one fifth of the amount of the distribution to which a holder of a Prosus Ordinary Share N is entitled multiplied by the percentage of Prosus Ordinary Shares N in the issued share capital of the Company not held by Naspers (the **Free Float Percentage**) and each holder of a Prosus Ordinary Share B shall be entitled to one millionth of the amount of the distribution to which a holder of a Prosus Ordinary Share N is entitled. Any transfer to a shareholder will be subject to the rights of any shareholders to whom Prosus Ordinary Shares A or Prosus Ordinary Shares N have been issued on special conditions, and subject further to the right of the Company to apply set-off in respect of the liability, if any, of shareholders for unpaid capital or premiums. Further, the Company's right to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganisation or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including lenders and trade creditors. As a result of this, holders of Prosus Ordinary Shares N may not be able to reclaim all or part of their investment in the Prosus Ordinary Shares N and consequently suffer a loss.

***Payment of dividends to South African shareholders must comply with South African Exchange Control Regulations.***

In terms of the inward-listing approval by the Financial Surveillance Department of the SARB (**FinSurv**) in relation to the secondary listing of the Prosus Ordinary Shares N on the JSE, all dividends and any other distributions declared and paid by the Company to South African shareholders are required to be remitted by the Company to a specially designated account in South Africa in terms of Regulation 6 of the Exchange Control Regulations of South Africa issued under the South African Currency and Exchanges Act, 9 of 1933, as amended (**South African Exchange Control Regulations**) and paid to South African shareholders in South African Rand, at the then prevailing exchange rate.

Any requests to issue Shares or other securities to South African shareholders in lieu of a cash dividend will be subject to the prior approval of FinSurv, and if such prior approval is not obtained by the Company, South African shareholders may not be entitled to participate in any such issue of Shares or other securities.

***The Company may be subject to risks arising from the South African Exchange Control Regulations.***

The Company has a meaningful number of South African shareholders. As a result, the Company may be subject to the South African Exchange Control Regulations. Since 1995, certain exchange controls in South Africa have been relaxed. The extent to which such exchange controls may be further relaxed by the South African Government cannot be predicted with certainty, although it has committed itself to a gradual approach of relaxing exchange controls. Further relaxation or abolition of exchange controls may change the capital flows to, and from, South Africa.

In connection with the Prosus listing, FinSurv approved the admission to listing and trading of the Prosus Ordinary Shares N on the Main Board of the JSE, and classified the Prosus Ordinary Shares N to be inward listed as "*domestic*" for exchange control purposes. Accordingly, South African resident investors may trade the Prosus Ordinary Shares N on the JSE without having recourse to their foreign portfolio allowances. If there is a change in applicable laws and regulations and, in particular, exchange control policy and regulation, there is no guarantee that South African resident investors will be able to do so in future. In addition, any transfers by South African exchange control resident shareholders of Prosus Ordinary Shares N from the JSE to Euronext Amsterdam are subject to South African exchange control.

Any future equity capital raising such as new share issues, rights offers or similar transactions by the Company in South Africa that would result in the movement of capital outside of South Africa would also require approval from FinSurv. Though the Company is not aware of any reason why FinSurv approval, if required, would not be granted, there remains a risk that FinSurv may not approve the movement of proceeds from any capital raising (including rights offers) out of South Africa, which could limit the Company's ability to raise equity capital in the future.



## IMPORTANT INFORMATION

### General

This Prospectus is a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129. This Prospectus was approved as a prospectus for the purposes of the Prospectus Regulation by, and filed with, the AFM, as competent authority under the Prospectus Regulation, on 12 July 2021. This Prospectus shall be valid for use only by the Company or others who have obtained the Company's consent for a period of up to 12 months after its approval by the AFM and shall expire on 12 July 2022, at the latest. The obligation to supplement this Prospectus, which only relates to the admission of the New Prosus Ordinary Shares N to listing and trading on Euronext Amsterdam, and, as a secondary listing, on the Main Board of the JSE (the **Admissions**), in the event of significant new factors, material mistakes or material inaccuracies (see "*Supplements*") shall cease to apply upon the earlier of: (i) the date on which trading in the New Prosus Ordinary Shares N on Euronext Amsterdam and the JSE commences (which is expected to be Monday, 16 August 2021) (the **First Trading Date**); or (ii) the expiry of the validity period of this Prospectus. The AFM has only approved this Prospectus as meeting the standard of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company. Investors should make their own assessment as to the suitability of investing in the Prosus Ordinary Shares N.

Prospective investors should only rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of Article 23 of the Prospectus Regulation. The Company does not undertake to update this Prospectus, unless required pursuant to Article 23 of the Prospectus Regulation, and therefore prospective investors should not assume that the information in this Prospectus is accurate as at any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Admissions and Capital Restructure (the Admission and Capital Restructure together the **Transaction**), other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Directors or any of Goldman Sachs Bank Europe SE and Morgan Stanley & Co. International plc (the **Financial Advisers**), ING Bank N.V. (the **Euronext Listing and Paying Agent**) or Investec Bank Limited, acting through its Corporate Finance Division (the **JSE Sponsor**) or any of their respective affiliates or representatives. Neither the delivery of this Prospectus nor any sale made hereunder at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time since its date.

Prospective investors are expressly advised that an investment in New Prosus Ordinary Shares N entails certain risks and that they should therefore carefully read and review the entire Prospectus. Prospective investors should not just rely on key information or information summarised within this Prospectus. Prospective investors should, in particular, read the section entitled "*Risk Factors*" when considering an investment in the New Prosus Ordinary Shares N. A prospective investor should not invest in New Prosus Ordinary Shares N unless it has the expertise (either alone or with a financial adviser) to evaluate how the New Prosus Ordinary Shares N will perform under changing conditions, the resulting effects on the value of the New Prosus Ordinary Shares N and the impact this investment will have on the prospective investor's overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of the New Prosus Ordinary Shares N.

The content of this Prospectus should not be construed as business, legal or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors, Naspers or any of the Financial Advisers, the Euronext Listing and Paying Agent, the JSE Sponsor or any of their respective representatives that any recipient of this Prospectus should purchase any Prosus Ordinary Shares N. None of the Company, Naspers or any of the Financial Advisers, the Euronext Listing and Paying Agent or the JSE Sponsor, or any of their respective representatives, is making any representation to any prospective investor regarding the legality of an investment in the New Prosus Ordinary Shares N by such prospective investor under the laws and regulations applicable to such prospective investor. Prospective investors should consult their own professional advisers before making any investment

decision with regard to the New Prosus Ordinary Shares N, among other things, to consider such investment decision in light of their personal circumstances and in order to determine whether or not such prospective investor is eligible to purchase New Prosus Ordinary Shares N. In making an investment decision, prospective investors must rely on their own analysis, enquiry and examination of the Company and the New Prosus Ordinary Shares N, including the merits and risks involved.

No representation or warranty, express or implied, is made or given, and no responsibility is accepted, by, or on behalf of, any of the Financial Advisers, the Euronext Listing and Paying Agent, the JSE Sponsor or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the accuracy, fairness, verification or completeness of the information or opinions contained in this Prospectus, or incorporated by reference herein, and nothing in this Prospectus, or incorporated by reference herein, is, or shall be relied upon as, a promise or representation by any of the Financial Advisers, the Euronext Listing and Paying Agent, the JSE Sponsor or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, as to the past or future. None of the Financial Advisers, the Euronext Listing and Paying Agent, the JSE Sponsor or any of their respective affiliates or representatives, or their respective directors, officers or employees or any other person in any of their respective capacities in connection with the Transaction, accepts any responsibility whatsoever for the contents of this Prospectus or for any other statements made or purported to be made by either itself, or on its behalf, in connection with the Company, the Group, Naspers, the Transaction or the New Prosus Ordinary Shares N. Accordingly, each of the Financial Advisers and the Euronext Listing and Paying Agent, the JSE Sponsor and each of their respective affiliates or representatives, or their respective directors, officers or employees or any other person, disclaims, to the fullest extent permitted by applicable laws and regulations, all and any liability, whether arising in tort or contract or which they might otherwise be found to have, in respect of this Prospectus and/or any such statement.

Although the Financial Advisers are party to various agreements pertaining to the Transaction and each of the Financial Advisers has entered or might enter into a financing or other arrangement with the Company, this should not be considered as a recommendation by any of them to invest in New Prosus Ordinary Shares N.

Each of the Financial Advisers, the Euronext Listing and Paying Agent and the JSE Sponsor is acting exclusively for the Company and no one else in connection with the Transaction. None of them will regard any other person (whether or not a recipient of this Prospectus) as their respective client in relation to the Transaction and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for giving advice in relation to, respectively, the Transaction or any transaction or arrangement referred to herein.

The Capital Restructure and the distribution of this Prospectus, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, or trade in, New Prosus Ordinary Shares N may be restricted by law in certain jurisdictions other than the Netherlands and South Africa, including the United States. The New Prosus Ordinary Shares N have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the **U.S. Securities Act**) or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly, in or into the United States or to U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Any offer or sale of the New Prosus Ordinary Shares N, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. Persons will be made only to, or for the account or benefit of, persons who are Eligible U.S. Shareholders. Neither this document nor the information contained herein constitutes or forms part of an offer to sell or exchange, or the solicitation of an offer to buy or accept, the New Prosus Ordinary Shares N in the United States or to or from, or for the account or benefit of, any U.S. Person. The New Prosus Ordinary Shares N are not being offered to holders of Naspers American depositary shares (**Naspers ADSs**).

This Prospectus may not be used for, or in connection with, and does not constitute, or form part of, an offer to the public by, or invitation to the public by or on behalf of, the Company or any representative of the Company to purchase any securities or an offer to sell or issue, or the solicitation to buy securities by any person in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Without limiting the generality of the foregoing, this Prospectus may not be distributed to any

person located or resident in any province or territory of Canada, and does not constitute an offer to purchase any Naspers N Ordinary Shares from any person located or resident in any province or territory of Canada, or that are owned in registered form, or beneficially, by any person located or resident in any province or territory of Canada. No action has been or will be taken in any jurisdiction by the Company or the Financial Advisers that would permit a public offering of the New Prosus Ordinary Shares N or possession or distribution of a prospectus in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

Each person receiving this Prospectus acknowledges that: (i) such person has not relied on a Financial Adviser or any person affiliated with a Financial Adviser in connection with any investigation of the accuracy of any information contained in this Prospectus or its investment decision; and (ii) it has relied only on the information contained in this Prospectus, and no person has been authorised to give any information or to make any representation concerning the Company or the New Prosus Ordinary Shares N (other than as contained in this Prospectus and information given by the Company's duly authorised officers and employees in connection with such person's examination of the Company and the terms of the Transaction) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, Naspers or any of the Financial Advisers.

Each of the Financial Advisers and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which each of the Financial Advisers and any of their affiliates may from time to time acquire, hold or dispose of New Prosus Ordinary Shares N. None of the Financial Advisers or their affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

## **Responsibility Statement**

This Prospectus is made available by the Company, and the Company and the Directors, whose names are set out in "*Directors*", collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus in all material respects. The Company and the Directors declare that to the best of their knowledge the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

## **Presentation of Financial and Other Information**

### ***Financial Data***

Unless otherwise indicated, the financial information contained in this Prospectus has been prepared in accordance with IFRS-EU. This Prospectus contains the audited annual consolidated financial statements of the Group as of, and for the year ended, 31 March 2021, the related notes thereto and the independent auditor's report on the Annual Financial Statements (the **Annual Financial Statements**) which are incorporated by reference in this Prospectus. In this Prospectus, references to a particular **Fiscal Year** or **FY** refer to the year ended on 31 March of that year.

The Annual Financial Statements have been audited by PricewaterhouseCoopers Accountants N.V. (**PwC**), an independent registered public audit firm located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, the Netherlands. PwC has not resigned, been removed or not been reappointed as the Company's auditors during the year ended 31 March 2021. The auditor signing the auditor's report on behalf of PwC is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

The Annual Financial Statements should be read in conjunction with PwC's auditor's report thereon.

### ***Voluntary Change in Accounting Policy for the Subsequent Measurement of Written Put Option Liabilities***

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

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

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

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

#### ***Condensed Consolidated Income Statement***

	Year ended 31 March 2020		
	Previously reported US\$ million	Change in accounting policy <sup>(1)</sup> US\$ million	Restated US\$ million
<b>Profit for the period</b>	<b>3,715</b>	<b>(53)</b>	<b>3,662</b>
<b>Attributable to:</b>			
Equity holders of the Group	3,824	(53)	3,771
Non-controlling interest	(109)		(109)
	3,715	(53)	3,662
<b>Earnings per share</b>			
Basic	235	(3)	232
Diluted	231	(3)	228
<b>Headline earnings</b>	<b>2,795</b>	<b>(53)</b>	<b>2,742</b>
<b>Headline earnings per share</b>			
Basic	172	(3)	169
Diluted	168	(3)	165

(1) Represents the impact of the change in the accounting policy for the remeasurement of written put option with non-controlling shareholders previously recognised in "Other finance income/(costs)—net".

## Condensed consolidated statement of changes in equity

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

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

The change in accounting policy was adopted retrospectively and the results of the year ended 31 March 2020 have been restated. The change in accounting policy for the year ended 31 March 2020 is presented above for information purposes.

### 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 (the **CODM**) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the Group's executive directors, who make strategic decisions. The Group has the same governance structure as its ultimate controlling parent, Naspers. The Group has the same board and management oversight, including the same individuals comprising the CODM. Accordingly, the CODM for Naspers is the same CODM as for the Group.

Within the Annual Financial Statements, the Group currently presents eight (FY 2020: nine) operating segments based on its business by service or product as follows: Ecommerce, comprising Classifieds, Food Delivery, Payments and Fintech, Etail and Other Ecommerce, Social and Internet Platforms, comprising Tencent and the Mail.ru Group, and Corporate. Following the Trip.com transaction in FY 2020, the Group's travel segment no longer exists and is not reported on after FY 2020. For further information about the Company's operating segments in the Annual Financial Statements, see note 39 of those Annual Financial Statements.

The Company 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 to the Group 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 its segmental review and are accordingly not directly comparable to its consolidated revenue and trading profit figures. For further information, see "*—Non-IFRS Financial Measures and APMs—Economic interest*" below.

### Certain Operational Metrics

This Prospectus contains certain operational metrics which are not part of the Annual Financial Statements or financial accounting records and have not been audited or otherwise reviewed by independent auditors, consultants or experts. The Group tracks certain operational metrics with internal systems and tools, and its 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. The internal systems and tools of the Group have a number of limitations and the methodologies used for tracking metrics may change over time. If the Group's 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 or business-to-consumer 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 (TPV):** 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 calculated based on the estimated valuations of the internet investments. The estimated valuations are calculated as of 31 March 2021 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, the Group does 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.

### ***Non-IFRS Financial Measures and APMs***

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

The Group provides Non-IFRS Measures and other information because the Board believes that they provide investors with additional information to measure its operating performance. The Group's use of Non-IFRS Measures may vary from that of other companies in its 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 the Group's 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 from how the Group does. In those cases, it may be difficult to compare the performance of those entities to the Group's 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, the Group may exclude additional items if it believes doing so would result in more transparent and comparable disclosure.

The Non-IFRS Measures should be considered in conjunction with the Annual 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 "*Selected 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, as adjusted to exclude: (i) amortisation of intangible assets recognised in business combinations and acquisitions, as these expenses are not considered operational in nature; (ii) retention option expenses linked to business combinations; (iii) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (iv) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (v) subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the Group has a cash cost on settlement with participants).
- **Adjusted EBITDA:** Adjusted EBITDA represents operating profit/loss, as adjusted to exclude: (i) depreciation; (ii) amortisation; (iii) retention option expenses linked to business combinations; (iv) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (v) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (vi) subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the Group has a cash cost on settlement with participants).
- **Headline earnings:** Headline earnings represents net profit for the year attributable to the Group's equity holders, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2019, headline earnings, as issued by the South African Institute of Chartered Accountants, at the request of JSE Limited in relation to the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 – *Earnings per Share*, under the JSE Listings Requirements.
- **Core headline earnings:** Core headline earnings represent headline earnings excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to the Group. These include those relating to share-based incentive awards settled by issuing treasury shares as well as certain share-based payment expenses that are deemed to arise on shareholder transactions; (ii) subsequent fair value remeasurement of cash-settled share-based incentive expenses; (iii) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; (iv) deferred taxation income recognised on the first-time recognition of deferred tax assets as this generally relates to multiple prior periods and distorts current period performance; (v) fair-value adjustments on financial instruments and unrealised currency translation differences, as these items obscure the Group's underlying operating performance;

(vi) one-off gains and losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in the Group's composition and are not reflective of the Group's underlying operating performance; (vii) the amortisation of intangible assets recognised in business combinations and acquisitions; and (viii) the donations due to Covid-19, as these expenses are not considered operational in nature. These adjustments are made to the earnings of businesses controlled by the Group as well as the Group's share of earnings of associates and joint ventures, to the extent that the information is available.

- **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 the Group's 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 the Group's strategic initiatives, including acquisitions, if any.
- **Growth in local currency excluding acquisitions and disposals:** The Group applies certain adjustments to the segmental revenue and trading profit reported in the Annual Financial Statements to present the growth in such metrics in local currency and excluding the effects of changes in the Group's composition. Such underlying adjustments provide a view of the Group's underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in the Group's composition on its results. Such adjustments are referred to herein as "growth in local currency, excluding acquisitions and disposals". The Group applies the following methodology in calculating growth in local currency, excluding acquisitions and disposals:
  - Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the U.S. Dollar) used for the Group's most significant functional currencies, were: Euro (FY 2021: 1.1691, FY 2020: 1.1103); Chinese Yuan Renminbi (FY 2021: 0.1479, FY 2020: 0.1433); Polish Złoty (FY 2021: 0.2593, FY 2020: 0.2569); Russian Ruble (FY 2021: 0.0134, FY 2020: 0.0152); Indian Rupee (FY 2021: 0.0135, FY 2020: 0.0141); Romanian Leu (FY 2021: 0.2405, FY 2020: 0.2330); and Brazilian Real (FY 2021: 0.1830, FY 2020: 0.2398).
  - Adjustments made for changes in the Group's composition relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in the Group's shareholding in the Group's 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 2021, net adjustments made for all acquisitions and disposals during the relevant period amounted to a positive adjustment of US\$454 million (FY 2020: negative US\$795 million) on revenue and a positive adjustment of US\$170 million (FY 2020: negative US\$125 million) on trading profit.



- **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 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. This approach is consistent with the application of the equity method of accounting required by IFRS in the Annual Financial Statements. References to "revenue from the consolidated Group" or "trading profit from the consolidated Group", as applicable, therefore exclude the Group's share of revenue or trading profit from investments in associated companies and joint ventures. The Group has, however, also included certain information based on the proportionate consolidation of associated companies and joint ventures in that section, as indicated therein and as further explained below.

IFRS 8, Operating Segments, aligns the reporting of operating segments with internal management reporting. As the CODM analyses segment results in accordance with the investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes, this method is also applied for segment reporting in the financial statements. Proportionate consolidation is a method of accounting whereby the Group's share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in the Group's operating segments. The Group refers 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.

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

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

### ***Rounding and Negative Amounts***

Certain figures in this 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 Prospectus, most numerical figures are presented in millions of U.S. Dollars. For the convenience of the reader of this Prospectus, certain numerical figures in this 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 Prospectus are derived directly from the financial information included elsewhere in this 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 Prospectus.

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

## **Currency**

In this 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, EUR** 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 3 May 1998 on the introduction of the Euro, as amended;
- **Hong Kong Dollar** or **HKS** 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;
- **Romanian Leu** are references to the lawful currency of Romania;
- **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 **US\$** or **USD** are references to the lawful currency of the United States.

## **Supplements**

If a significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus arises or is noted between the date of this Prospectus and the First Trading Date, a supplement to this Prospectus will be published in accordance with the relevant provisions under the Prospectus Regulation. Such a supplement will be subject to approval by the AFM in accordance with Article 23 of the Prospectus Regulation and be filed with JSE Limited in accordance with the JSE Listings Requirements, and will be made public in accordance with the relevant provisions of the Prospectus Regulation and the JSE Listings Requirements. The summary shall also be supplemented, if necessary, to take into account the new information included in the supplement.

Statements contained in any such supplement (or contained in any document incorporated by reference in such supplement) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus or in a document that is incorporated by reference in this Prospectus. Any supplement shall specify which statement is so modified or superseded and shall specify that such statement shall, except as so modified or superseded, no longer constitute a part of this Prospectus.

## **Notice to Prospective Investors**

**NO PUBLIC OFFERING IS BEING MADE TO ANY PERSON IN ANY JURISDICTION.**

*Because of the following restrictions, prospective investors are advised to consult legal counsel prior to tendering their shares under the Exchange Offer or making any offer, resale, pledge or other transfer of the New Prosus Ordinary Shares N.*

This Prospectus may not be used for, or in connection with, and does not constitute, or form part of, an offer to the public by, or invitation to the public by or on behalf of, the Company or any representative of the Company to purchase any securities or an offer to sell or issue, or the solicitation to buy, securities by any person in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The distribution of this Prospectus may be restricted by law in certain jurisdictions. Neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

The Exchange Offer described in this Prospectus is not being made, directly or indirectly, in any country or jurisdiction in which such an offer would be illegal or would otherwise violate any applicable law, ordinance or regulation, or which would otherwise require the Company to change the material terms or conditions of the Exchange Offer in any way, to submit to any additional filing to, or to perform any additional action in relation to, any governmental, regulatory or legal authority.

### ***Notice to Persons in the United States and U.S. Persons***

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any securities for sale in or into the United States or to, or for the account or benefit of, U.S. Persons or an offer to acquire or exchange securities in or into the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offering of the New Prosus Ordinary Shares N in the United States. The New Prosus Ordinary Shares N have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly, in or into 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 U.S. Securities Act. The Company has not been, and will not be, registered under the U.S. Investment Company Act. The voluntary share exchange offer to exchange Naspers N Ordinary Shares for New Prosus Ordinary Shares N is being made in or into the United States or to, or the account or benefit of, U.S. Persons only pursuant to a private placement to Eligible U.S. Shareholders being carried out concurrently with, and on the same terms and conditions as, the Exchange Offer (the **U.S. Private Placement**). Any offer or sale of the New Prosus Ordinary Shares N, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. Persons will be made pursuant to the U.S. Private Placement only to, or for the account or benefit of, persons who are Eligible U.S. Shareholders. Resales of New Prosus Ordinary Shares N acquired in the U.S. Private Placement may only be made outside the United States in *bona fide* "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act, on Euronext Amsterdam, the JSE or the A2X to persons outside the United States not known to be, or to be acting for the account or benefit of, a U.S. Person by pre-arrangement or otherwise. The Company will require the provision of a letter by investors who are in the United States or who are U.S. Persons containing representations as to their status as an Eligible U.S. Shareholder and acknowledging the restrictions on resale of the New Prosus Ordinary Shares N acquired in the U.S. Private Placement. The Company will refuse to issue or transfer New Prosus Ordinary Shares N to investors that do not meet the foregoing requirements.

New Prosus Ordinary Shares N acquired in the Exchange Offer (including the U.S. Private Placement) may not be deposited into any unrestricted depositary facility.

The Exchange Offer (including the U.S. Private Placement) is not open for acceptance by holders of Naspers ADSs, each of which represents a beneficial interest in one fifth of a Naspers N Ordinary Share deposited with The Bank of New York Mellon Corporation (**Bank of New York Mellon**), as depositary (the **Naspers Depositary**). The Naspers ADSs are issued pursuant to the deposit agreement among Naspers, the Naspers Depositary and all owners and beneficial owners of American Depositary Receipts (**Naspers ADRs**) issued thereunder evidencing the Naspers ADSs. Holders of Naspers ADSs may participate in the Exchange Offer (including the U.S. Private Placement) only if they are otherwise eligible and withdraw the underlying Naspers N Ordinary Shares from the deposit facility and complete and return the appropriate acceptance before the expiry of the Exchange Offer (including the U.S. Private Placement). Such persons are advised that any such withdrawal must be completed in accordance with the terms and conditions of the deposit agreement, and they may incur charges, fees, expenses or withholdings in connection with the surrender and cancellation of the

Naspers ADRs and withdrawal of the underlying Naspers N Ordinary Shares. Furthermore, such holders should ensure a withdrawal request is timely made to permit them to receive the Naspers N Ordinary Shares and tender them into the Exchange Offer (including the U.S. Private Placement). To do so, they must contact the Naspers Depository and observe any procedures established by the Naspers Depository.

Until the expiration of 40 days from the distribution of Prosus Ordinary Shares N in exchange for existing Naspers N Ordinary Shares, an offer to sell or a sale of Prosus Ordinary Shares N within the United States by a dealer (whether or not participating in the Exchange Offer) may violate the registration requirements of the U.S. Securities Act.

### ***Notice to Persons in South Africa***

The Exchange Offer described in this Prospectus is being made to all the Naspers N Shareholders on a *pro rata* basis, subject to its certain terms and conditions, but may not be accepted by, any person whose participation in the Exchange Offer would be restricted, prohibited, illegal or otherwise impermissible for any reason, and/or whose participation in the Exchange Offer would render the offer to such Naspers N Shareholder in terms of the Exchange Offer prohibited, illegal or otherwise impermissible for any reason. The information contained in this Prospectus does not constitute or form part of any offer to the public for the sale of, or subscription for, or an invitation, advertisement or the solicitation of any offer to purchase or subscribe for, "securities" as described in the South African Companies Act, 71 of 2008, as amended (together with the regulations promulgated under it, the **South African Companies Act**). Accordingly, this Prospectus does not, nor does it intend to, constitute a "*registered prospectus*" or an "*advertisement*", as contemplated by the South African Companies Act; and no prospectus has been filed with the South African Companies and Intellectual Property Commission (the **CIPC**) in respect of the Transaction. As a result, this Prospectus does not comply with the substance and form requirements for a prospectus as set out in the South African Companies Act, and has not been approved by, and/or registered with, the CIPC. This Prospectus has been filed with FinSurv and approved by JSE Limited. FinSurv has also approved the inward listing of the New Prosus Ordinary Shares N, as a secondary listing, on the Main Board of the JSE and classified the inward listed Prosus Ordinary Shares N (including the New Prosus Ordinary Shares N) as "*domestic*" for South African exchange control purposes.

### ***Notice to Persons in the UK***

No securities have been offered or will be offered pursuant to the Exchange Offer to the public in the United Kingdom, except that securities may be offered to the public in the United Kingdom at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000,

provided that no such offer of securities shall require the Company to publish a prospectus pursuant to Section 85 of the Financial Services and Markets Act 2000 or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to securities in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and securities to be offered so as to enable an investor to decide to purchase or subscribe for securities, and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

### ***Notice to Persons in the EEA***

In relation to each member state of the European Economic Area (each a **Relevant State**), no securities have been offered or will be offered pursuant to the Exchange Offer to the public in that Relevant State, except that the securities may be offered to the public in that Relevant State at any time:

- if to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation); or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the securities shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase or subscribe for any securities.

### ***Notice to Persons in Switzerland***

The New Prosus Ordinary Shares N may not be publicly offered, directly or indirectly, in or into Switzerland within the meaning of the Swiss Financial Services Act (**FinSA**), except:

- (i) to any investor that qualifies as a professional client within the meaning of the FinSA;
- (ii) to fewer than 500 investors (other than professional clients within the meaning of the FinSA); or
- (iii) in any other circumstances falling within article 36 of the FinSA,

provided, in each case, that no such offer of the New Prosus Ordinary Shares N referred to in (i) through (iii) above shall require the publication of a prospectus pursuant to the FinSA.

The New Prosus Ordinary Shares N will not be listed or admitted to trading on any trading venue in Switzerland. Neither this document nor any other offering or marketing material relating to the New Prosus Ordinary Shares N or the Exchange Offer constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to New Prosus Ordinary Shares N or the Exchange Offer may be distributed or otherwise made available in Switzerland in a manner which would require the publication of a prospectus pursuant to the FinSA in Switzerland. Neither this document nor any other offering or marketing material relating to the New Prosus Ordinary Shares N or the Exchange Offer have been or will be filed with or approved by any Swiss regulatory authority.

### ***Notice to Persons in Singapore***

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the New Prosus Ordinary Shares N will not be offered or be made the subject of an invitation for subscription or purchase, and this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Prosus Ordinary Shares N, will not be circulated or distributed, whether directly or indirectly, to any person in Singapore other than:

- i. to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)) under Section 274 of the SFA;
- ii. to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 New Prosus Ordinary Shares N are subscribed or purchased under section 275 of the SFA 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,

securities of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Prosus Ordinary Shares N pursuant to an offer made under section 275 of the SFA except:

1. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in section 275(1A) or Section 276(4)(i)(B) of the SFA;
2. where no consideration is or will be given for the transfer;
3. where the transfer is by operation of law;
4. as specified in section 276(7) of the SFA; or
5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

### ***Notice to Persons in Hong Kong***

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This document has not been authorised by the Securities and Futures Commission in Hong Kong. Accordingly, no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, offer or document relating to the New Prosus Ordinary Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Prosus Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the **SFO**) and any rules made under the SFO.

### ***Notice to Persons in the United Arab Emirates***

By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that the offering of New Prosus Ordinary Shares N has not been approved or licensed by the United Arab Emirates (the **UAE**) Central Bank, the UAE Securities and Commodities Authority, or any other relevant licensing authorities in the UAE, and does not constitute a public offer of securities in the UAE in accordance with the commercial companies law (UAE Federal Law No. 2 of 2015 (as amended)) or otherwise.

In addition, Prosus represents and agrees that the New Prosus Ordinary Shares N have not been and are not being, publicly offered, sold, promoted or advertised in the UAE other than in compliance with the laws of the UAE governing the issue, offering and sale of securities.

If you do not understand the contents of this Prospectus or are unsure whether the New Prosus Ordinary Shares N to which this Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

### ***Notice to Persons in Bermuda***

To the extent that any New Prosus Ordinary Shares N are offered or sold in or from Bermuda, such offer or sale may only be made in compliance with the provisions of the Companies Act 1981 of Bermuda, as amended, and the Investment Business Act 2003 of Bermuda, as amended, which regulate the sale of securities in Bermuda.

### ***Notice to Persons in Japan***

Solicitation for subscription (as defined under Paragraph 2, Article 4 of the Financial Instruments and Exchange Act (the FIEA)) to New Prosus Ordinary Shares N constitutes a solicitation to small number offerees (as defined under Paragraph 4, Article 23-14 of the FIEA) and therefore no securities registration statements pursuant to Paragraph 1, Article 4 of the FIEA has been filed in relation to the solicitation for subscription to New Prosus Ordinary Shares N.

### ***Notice to Persons in Canada***

This Prospectus does not constitute, or form part of, any offer to purchase any securities held in registered form or beneficially owned by any person located or resident in any province or territory of Canada. No action has been taken to comply with the "take-over bid" requirements of Canadian securities laws, or exemptions therefrom, that would be required in order to permit such an offer to be made. Registered and beneficial owners of Naspers N Ordinary Shares who are located or resident in any province or territory of Canada may not participate in the Exchange Offer, and no New Prosus Ordinary Shares N are being offered or sold to any person located or resident in Canada pursuant to the Exchange Offer or otherwise.

## **Exchange Control**

### ***Netherlands***

Under Dutch law, subject to the 1977 Sanction Act (*Sanctiewet 1977*) or otherwise by international sanctions, there are no exchange control restrictions on investments in, or payments on, Shares, provided that the payment in a foreign currency for any Shares issued, or to be issued, by the Company will only result in the performance of the obligation to pay up the Shares, to the extent that the Company consents to payment in such foreign currency, and the paid-up sum can be converted (exchanged) freely into Euro and is equal to at least the Euro nominal value of such Shares.

There are no special restrictions in the Articles of Association or Dutch law that limit the right of shareholders who are not citizens or residents of the Netherlands to hold or exercise votes attaching to Shares.

### ***South Africa***

Exchange controls are imposed on South African residents in terms of the South African Exchange Control Regulations. FinSurv is responsible for the day-to-day administration of exchange controls. FinSurv has a wide discretion, which is exercised based upon a set of norms, and is subject to the policy guidelines laid down by the Minister of Finance, Director General Finance, and the South African Reserve Bank (**SARB**). From time to time, FinSurv issues "rulings" and circulars to provide further guidelines regarding the implementation of exchange controls. The South African Exchange Control Regulations, Orders and Rules under the Exchange

Control Regulations, Currencies and Exchanges Manual for Authorised Dealers (the **Authorised Dealer Manual**) and circulars are collectively referred to as **ExCon Rules** for purposes of this Prospectus.

Certain South African banks have been appointed to act as authorised dealers (as defined by the ExCon Rules) (the **Authorised Dealers**) in foreign exchange. The Authorised Dealers may buy and sell foreign exchange, subject to conditions and within limits prescribed by FinSurv.

The Authorised Dealers are also required to assist FinSurv in administering the ExCon Rules. All applications to FinSurv are required to be made through an Authorised Dealer. The Authorised Dealer Manual, issued by FinSurv, sets out the conditions, permissions, and limits applicable to the transaction in foreign exchange which may be undertaken by the Authorised Dealers, as well as details of related administrative responsibilities.

South Africa's ExCon Rules provide for restrictions on exporting capital from the Common Monetary Area. Transactions between residents of the Common Monetary Area, on the one hand, including corporations, and persons whose normal place of residence, domicile or registration is outside of the Common Monetary Area (non-residents), on the other hand, are subject to these South African Exchange Control Regulations.

Currency and shares are not freely transferable from South Africa to any jurisdiction outside the geographical borders of South Africa or jurisdictions outside of the Common Monetary Area. These transfers must comply with the ExCon Rules as described below.

FinSurv has approved the secondary inward listing of the Prosus Ordinary Shares N on the Main Board of the JSE and classified the inward listed Prosus Ordinary Shares N (including the New Prosus Ordinary Shares N) as "*domestic*" for exchange control purposes. In terms of FinSurv's approval, JSE Investors must hold/trade Prosus Ordinary Shares N on the JSE in accordance with the provisions of the ExCon Rules.

All dividends and any other distributions declared and paid by the Company to South African residents must be remitted to South Africa in terms of the requirements of Regulation 6 of the South African Exchange Control Regulations and any requests to issue Prosus Ordinary Shares N and/or securities to South African residents in lieu of a cash dividend will be subject to the prior approval of FinSurv. Any: (i) utilisation of Prosus Ordinary Shares N and/or securities as acquisition currency in the purchase of assets in the Common Monetary Area; and (ii) participation by South African residents in any future capital raising undertaken by the Company by means of a new issue, rights offer or similar transaction, will be subject to the prior approval of FinSurv.

The acquisition of, and trading in, New Prosus Ordinary Shares N admitted to listing and trading on the Main Board of the JSE may only be done in terms of the ExCon Rules.

Set out below is a summary of the ExCon Rules relating to the acquisition of Prosus Ordinary Shares N listed on the JSE and the trade in Prosus Ordinary Shares N listed on the JSE in South Africa.

This summary of the ExCon Rules is intended as a guide only and is therefore not comprehensive. If a prospective investor is in any doubt, they should consult an appropriate professional adviser immediately.

### ***South African Private Individuals***

South African resident investors may trade in the Prosus Ordinary Shares N listed on the JSE without having recourse to their foreign capital allowances.

A South African private individual need not take any additional administrative actions and can instruct any person registered as a "broking member (equities)" in terms of the rules of the JSE made in accordance with the provisions of the South African Financial Markets Act (**Broker**) to accept, buy and sell Prosus Ordinary Shares N listed on the JSE on its behalf as it would with any other listed security on the JSE. Such Prosus Ordinary Shares N listed and trading on the JSE are denominated in South African Rand.



### ***South African Institutional Investors***

As announced by the South African Minister of Finance in the 2011 medium-term budget policy statement, all inward listed shares on the JSE traded and settled in South African Rand are classified as "*domestic*" for the purposes of South African exchange control.

Accordingly, South African retirement funds, long-term insurers, collective investment scheme management companies and asset managers who have registered with FinSurv as institutional investors for exchange control purposes and the Authorised Dealers approved as such by the SARB may now invest in such shares without affecting their permissible foreign portfolio investment allowances or foreign exposure limits.

South African institutional investors may therefore trade in the Prosus Ordinary Shares N listed and trading on the JSE without affecting their foreign portfolio investment allowances or foreign exposure limits.

### ***Member Brokers of the JSE***

The ExCon Rules provide for a special dispensation to local brokers to facilitate the trading in inward listed shares.

South African brokers are allowed, as a book-building exercise, to purchase Prosus Ordinary Shares N offshore and to transfer the Prosus Ordinary Shares N to trading on the JSE. This special dispensation is confined to inward listed shares and brokers may warehouse such shares for a maximum period of 30 days only.

### ***South African Corporate Entities, Banks, Trusts and Partnerships***

South African corporate entities, banks, trusts and partnerships may acquire Prosus Ordinary Shares N listed and trading on the JSE without restriction.

### ***Non-residents of the Common Monetary Area***

Non-residents of the Common Monetary Area may acquire Prosus Ordinary Shares N listed and trading on the JSE, provided that payment is received in foreign currency or South African Rand from a non-resident account.

All payments in respect of an acquisition of Prosus Ordinary Shares N listed and trading on the JSE by non-residents must be made through an Authorised Dealer. Such non-residents should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to acquire such Prosus Ordinary Shares N.

Provided that the relevant share certificate is endorsed "non-resident" or the relevant account of the shareholder's central securities depository participant (being a "participant" as defined in section 1 of the South African Financial Markets Act, appointed by a shareholder to hold and administer securities or an interest in securities on behalf of a shareholder) (CSDP) or Broker is annotated accordingly, there is no restriction under the ExCon Rules on the payment to a non-resident shareholder of cash dividends from the distributable profits of the Company in proportion to the shareholder's percentage holding of Prosus Ordinary Shares N. Payment to non-resident shareholders of other dividends and distributions (including special dividends, distributions in kind and capitalisation issues) requires the consent of FinSurv.

Cash dividends and any proceeds from the sale of Prosus Ordinary Shares N listed on the JSE by non-resident shareholders may be freely transferred out of South Africa, subject to being converted into a currency other than South African Rand or paid for the credit of a non-resident South African Rand account.

Non-residents may sell Prosus Ordinary Shares N listed on the JSE on the market and repatriate the proceeds without restriction.

Former residents of the Common Monetary Area who have emigrated may use funds from their emigrant capital account to acquire Prosus Ordinary Shares N listed and trading on the JSE. The Prosus Ordinary Shares N listed and trading on the JSE will be credited to their remaining share accounts at the CSDP controlling their remaining portfolios. The sale proceeds derived from the sale of the Prosus Ordinary Shares N listed and trading on the JSE will be transferred to the Authorised Dealer in foreign exchange controlling the emigrants' remaining assets for credit to the emigrants' capital account.

### ***Movement of Prosus Ordinary Shares N between Euronext Amsterdam and the JSE***

Prosus Ordinary Shares N (including the New Prosus Ordinary Shares N) are fully fungible and may be transferred for trading between Euronext Amsterdam and the JSE, subject to investors obtaining necessary exchange control approvals where necessary.

Brokers may acquire Prosus Ordinary Shares N on foreign exchanges and transfer such shares to the South African section of the Company's shareholders' register as above.

Non-residents of South Africa are not subject to the South African Exchange Control Regulations and may freely transfer Prosus Ordinary Shares N between Euronext Amsterdam and the JSE.

### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (i) EU Directive 2014/65/EU on markets in financial instruments, as amended (**MiFID II**); (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together, the **MiFID II Product Governance Requirements**), and disclaiming all and any liability, whether arising in delict, tort, contract or otherwise, which any "*manufacturer*" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Prosus Ordinary Shares N have been subject to a product approval process, which has determined that the Prosus Ordinary Shares N are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the **Target Market Assessment**). Notwithstanding the Target Market Assessment, "*distributors*" (for purposes of the MiFID II Product Governance Requirements) should note that: the price of the Prosus Ordinary Shares N may decline and investors could lose all or part of their investment; the Prosus Ordinary Shares N offer no guaranteed income and no capital protection; and an investment in the Prosus Ordinary Shares N is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Transaction.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to, the Prosus Ordinary Shares N.

Each distributor is responsible for undertaking its own target market assessment in respect of the Prosus Ordinary Shares N and determining appropriate distribution channels.

### **Enforceability of Civil Liabilities**

The ability of shareholders in certain jurisdictions other than the Netherlands, in particular the United States, to bring an action against the Company may be limited under applicable laws and regulations. At the date of this Prospectus, the Company is incorporated under the laws of the Netherlands and all Directors, and most of the Group's employees, are citizens or residents of countries other than the United States. Most of the assets of such persons and most of the assets of the Group are located outside the United States. As a result, it may be impossible or difficult for investors to effect service of process within the United States upon such persons

or the Company or to enforce against them in United States courts a judgment obtained in such courts. In addition, in the Netherlands, there is doubt as to the enforceability of original actions or actions for enforcement based solely on the federal or state securities laws of the United States or judgments of United States courts, including judgments based on the civil liability provisions of the United States federal or state securities laws.

As at the date of this Prospectus, the United States and the Netherlands do not have a treaty providing for the reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Consequently, a judgment rendered by a court in the United States will not be enforceable in the Netherlands. However, if a person has obtained a final judgment without possibility of appeal for the payment of money rendered by a court in the United States which is enforceable in the United States and files his or her claim with the competent Dutch court, the Dutch court will generally recognise and give effect to such foreign judgment insofar as it finds that: (i) the jurisdiction of the United States court has been based on a ground of jurisdiction that is generally acceptable according to international standards; (ii) the judgment by the United States court was rendered in legal proceedings that comply with the standards of the proper administration of justice that includes sufficient safeguards (*behoorlijke rechtspleging*); or (iii) the judgment by the United States court is not incompatible with a decision rendered between the same parties by a Dutch court, or with a previous decision rendered between the same parties by a foreign court in a dispute that concerns the same subject and is based on the same cause, provided that the previous decision qualifies for acknowledgement in the Netherlands and except to the extent that the foreign judgment contravenes Dutch public policy (*openbare orde*). Even if such foreign judgment is given binding effect, a claim based thereon may, however, still be rejected if the foreign judgment is not or no longer formally enforceable.

### **Information Regarding Forward-Looking Statements**

This Prospectus includes forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Group's control and all of which are based on the Group's current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "aim", "annualised", "anticipate", "assume", "believe", "continue", "could", "estimate", "expect", "forecast", "goal", "hope", "intend", "likely", "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 Prospectus and include statements that reflect the Company's intentions, beliefs or current expectations and projections about the Group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Group operates. In particular, the statements under the headings "*Summary*", "*Risk Factors*", "*Exchange Offer Memorandum*" and "*Business*" regarding the Group's 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 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 the Group. 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 the Group's 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 market price and volatility of Tencent's shares and other concerns related to Tencent's contractual arrangements;
- levels of investment, trading losses and impairments in respect of the Group's businesses that are still developing;

- reliance on access to cash flows from the Company's subsidiaries, associated companies and joint ventures;
- any failure to maintain or improve, or any disruption in, the Group's technology infrastructure and the Group's ability to safeguard its data and the data of its users;
- financial risks, including the Group's level of debt, liquidity, fluctuations in exchange rates and interest rates, as well as the Group's reliance on cash flows from subsidiaries, associated companies and joint ventures;
- the Group's lack of control over companies in which it has 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 the Group's businesses;
- economic, social and political risks in the markets in which the Group and its 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 the Group's brand recognition and protecting its intellectual property rights or domain names; and
- limitations or restrictions on foreign investment and ownership.

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

### **Tencent Public Disclosures**

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this 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 Prospectus is derived from information provided by and/or available on the Tencent website, which is not incorporated by reference in this Prospectus. See also "*General Information—No Incorporation of Website*".

### **Defined Terms**

Defined terms used in this Prospectus are defined in "*Defined Terms*".

As used herein, all references to the **Company** refer to Prosus N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, and together with its subsidiaries, the **Group**. The **Board** and the **General Meeting** refer to, respectively, the board of directors (*bestuur*) and the general meeting (*algemene vergadering*) of the Company, in the latter case being the corporate body or, where the context so requires, the physical meeting of the Company.

This Prospectus is published in English only.

## OVERVIEW OF THE TRANSACTION

### Background to, and Reasons for, the Transaction

Naspers and its consolidated subsidiaries (the **Naspers Group**) have a long history of value creation, identifying and investing in attractive growth opportunities around the world and generating returns for shareholders. This investment strategy led to the rapid growth of the Naspers Group, creating value for all shareholders. By August 2019, however, Naspers's size on the JSE, at c. 25.9% of the JSE Shareholder Weighted Index (**SWIX**), had become untenable. Many South African-based investors have single share limits and mandate restrictions, which led to forced selling of Naspers shares as it meaningfully outperformed the JSE. The Group believes this forced selling contributed to a widening of Naspers's discount to net asset value (**NAV**).

To begin addressing this structural issue and to unlock value for shareholders, Naspers listed Prosus on Euronext Amsterdam. The Prosus listing unlocked US\$16 billion of value for shareholders at the time of execution and successfully reduced Naspers's size to c. 18.4% of the SWIX. The Prosus listing also created Europe's largest consumer internet company, providing a strong platform to attract incremental investor capital to support its continued growth ambitions.

Prosus's strong performance, however, made it clear that further action would be required. Since the Prosus listing, the value of the Group's portfolio has rapidly increased in line with the significant outperformance of consumer internet companies in 2020/2021. As a result, Naspers's weight on the benchmark SWIX has risen back to c. 23.3% in April 2021, again contributing to the widening of the discount to NAV. Due to the overlap in the underlying asset portfolio of Naspers and Prosus, the Naspers share price and its relative discount to NAV has a potential indirect impact on the Share price of Prosus, which may have negatively impacted, and dragged upward, the discount to the NAV of Prosus. There has been a correlation in the directional move of the discount to NAV at which Naspers and Prosus has traded, albeit Prosus has since its listing in September 2019, consistently traded at a lower discount to its underlying NAV than Naspers. Had Naspers not taken action in 2019, Naspers's weight on the SWIX would now be in excess of 30%, an untenable position for one company and one unmatched on any other major international exchange. Additionally, its investments in social platforms, Food Delivery, Classifieds, Edtech and fintech are expected to continue to grow significantly faster than other sectors on the JSE in the future. Given Naspers's current and rising concentration on the JSE and its expected future performance, it is important to sustainably right-size Naspers and Prosus on their respective exchanges. Inaction is not to be viewed as a reasonable option as it is almost certain to exacerbate the current problem and set Naspers on a path to representing more than 30% of the SWIX.

In developing a solution, in consultation with leading advisers, Naspers and Prosus conducted a careful and comprehensive evaluation of all options available. The chosen approach is assessed to be the optimal one for the business right now. This approach is highly efficient and implementable, and Naspers and Prosus believe it enhances optionality to unlock value upon executing the transaction and in the future. Naspers and Prosus assessed many other potential options and determined that none of these options delivered the same level of regulatory approval certainty, nor did they achieve a similar outcome in terms of size and lasting effect.

The Company and Naspers have decided to pursue the Transaction, including, in particular, the Exchange Offer, for the following reasons:

- it is expected to create immediate value for holders of Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N (**Prosus Shareholders**). Specifically, at the close of the Transaction, it is expected that Prosus Shareholders will experience a NAV per Share uplift of approximately 6.5%. The 6.5% uplift in NAV per Share is driven by two factors. First of all, the number of New Prosus Ordinary Shares N that will be issued is 448,991,535, while Prosus will indirectly acquire 540,581,052 of the existing Prosus Ordinary Shares N held by Naspers. The difference between the number of New Prosus Ordinary Shares N and the indirectly acquired, existing,

Prosus Ordinary Shares N represents 5.7% of the issued Prosus Ordinary Shares N in total<sup>3</sup>, resulting in an uplift in NAV per Share. Secondly, the remaining 0.8% uplift in NAV per Share relates to the 49.5% that Prosus will hold of the NAV that sits at Naspers level, other than Naspers's investment in Prosus;

- Naspers N Shareholders participating in the Exchange Offer will receive a value benefit from exchanging higher discount to NAV Naspers N Ordinary Shares for lower discount to NAV Prosus Ordinary Shares N. If Settlement of the Exchange Offer would have occurred on 11 May 2021 (the date before announcement of the Transaction) that value benefit for participating Naspers N Shareholders would have been approximately 10%;<sup>4</sup>
- it directly and sustainably addresses a significant driver of the Naspers discount to its NAV, by almost halving its weighting on the SWIX, while maintaining Naspers's standing as the largest JSE listed South African domiciled company by market capitalisation;
- it fundamentally improves the investment profile of Prosus by increasing its free-float materially, with an expected commensurate increase in overall trading liquidity, market index weightings and positive trading dynamics. Post-transaction, Prosus is expected to be a Top20 of EURO STOXX 50 Index company. Naspers remains the largest shareholder in Prosus and an improvement in Prosus's investment profile benefits Naspers;
- it maintains Naspers's South African domicile status and ensures the company has sustainable, clear and lasting control of Prosus, with Prosus remaining a controlled foreign company of Naspers and maintaining its current tax status and tax obligations under South African law; and
- the Transaction preserves Naspers's and Prosus's optionality to take further steps in the future to continue to address the discounts to NAV of both Prosus and Naspers.

### Benefits of the Transaction

The Transaction is expected to result in a significant value unlock for Prosus's Shareholders and Naspers's Shareholders at the time of the transaction and in the future. The Group is confronted with a complex structural issue related to the size of Naspers on the SWIX and Naspers and Prosus believe the Transaction clearly presents the steps to a practical and simple end state, while preserving all future optionality to take further steps to reduce the discount to its NAV. In addition, the Transaction is expected to:

- meaningfully and sustainably reduce Naspers's overweight position on the SWIX, thereby directly addressing what is believed to be a significant driver of the discount to Naspers's NAV;
- increase the Prosus free-float materially, with an expected commensurate increase in overall trading liquidity, market index weightings and positive trading dynamics;
- maintain the current voting position of Naspers in the Company, the legal entity structure and group tax situation of Naspers and Prosus; and
- maintain Naspers's and Prosus's operational, strategic and financial flexibility to create value over the long term and take further value-creating actions.

For existing holders of the Prosus Ordinary Shares N in the capital of the Company (**Prosus N Shareholders**), the Transaction is expected to:

<sup>3</sup> This percentage excludes the treasury shares in Prosus.

<sup>4</sup> The value benefit that a Naspers shareholder receives in respect of the New Prosus Ordinary Shares, is based on the difference between (i) its participation in the underlying NAV of Naspers and the discount at which Naspers's shares trade to their NAV, compared to (ii) the participation it will hold in Prosus's NAV as a result of the Exchange Offer and the discount at which Prosus trades to its NAV. Based on the share prices of Naspers and the Share price of Prosus and the underlying NAV of their respective asset portfolios as of 11 May 2021 (the last day of trading before the announcement of the proposed transaction) represents a 10% increase in value.

- create a c. 6.5% increase in NAV per Share as a result of Prosus effectively buying back exposure to NAV at a higher discount. Effectively, in the context of the Transaction, Prosus buys back exposure to its own NAV as Prosus will receive shares in Naspers and Naspers, in its turn, is a direct shareholder of Prosus. Therefore, Prosus will buy the Naspers N Ordinary Shares against the current high(er) discount on the Naspers N Ordinary Shares;
- increase the free-float materially and, through the cross-holding, more than double the Prosus free-float shareholders' effective economic interest in Prosus's underlying portfolio to c. 59.7%;
- result in an increase in Prosus's index weighting across all major indices with associated passive fund inflows. As a result of the Transaction, Prosus is expected to be a Top20 of EURO STOXX 50 Index company;
- result in increased trading liquidity in the Prosus Ordinary Shares N; and
- extend Prosus's standing as Europe's largest internet company with improved liquidity.

Given the above, both Naspers and Prosus have a material interest in the issue. Other interest, and more specifically conflict of interest, relating to this Transaction, are set out under "*Potential Conflicts of Interest and Other Information*".

The Transaction should not be viewed in isolation. In recent years, Prosus and Naspers have taken several actions designed to unlock value for shareholders over time including the unbundling and listing of MultiChoice Group Limited on the JSE, the Prosus listing, improvements in the Group's operations and transparency and the recent US\$5 billion return of capital by Prosus through a repurchase of Prosus Ordinary Shares N and a purchase of Naspers N Ordinary Shares. Moreover, the Transaction preserves the Group's optionality to take further steps in the future to continue to address the discounts to the NAV of both Prosus and Naspers.

### **Exchange Offer Memorandum**

Prosus is offering to acquire a number of issued Naspers N Ordinary Shares from Naspers N Shareholders via a *pro rata* voluntary exchange offer, in which Naspers N Shareholders will be entitled, subject to its certain terms and conditions, to subscribe for New Prosus Ordinary Shares N in consideration for their Naspers N Ordinary Shares, in accordance with the Exchange Ratio, such that, following implementation of the Exchange Offer, Prosus will hold no more than 49% of the issued Naspers N Ordinary Shares (including any Naspers N Ordinary Shares already held by Prosus immediately before launch of the Exchange Offer), as set out in the "*Exchange Offer Memorandum*" chapter of this Prospectus (the **Exchange Offer Memorandum**). See "*Scale Back Process*" for further information regarding the potential scale back process in respect of any excess Naspers N Ordinary Shares tendered under the Exchange Offer.

Naspers N Shareholders, subject to the terms and conditions of the Exchange Offer, will have the ability to tender up to 100% of their Naspers N Ordinary Shares in the Exchange Offer, even though the Exchange Offer is limited to a certain maximum number of the Naspers N Ordinary Shares. In the event that more than the aggregate number of the Naspers N Ordinary Shares sought to be acquired by Prosus under the Exchange Offer are tendered, the number of shares that Naspers N Shareholders tender in the Exchange Offer in excess of the base entitlement will be scaled back in accordance with the principles set out herein. Naspers N Shareholders participating in the Exchange Offer will receive a value benefit from exchanging higher discount to NAV Naspers N Ordinary Shares for lower discount to NAV Prosus Ordinary Shares N. If Settlement of the Exchange Offer would have occurred on 11 May 2021 (the date before announcement of the Transaction) that value benefit for participating Naspers N Shareholders would have been approximately 10%.

The Exchange Offer is voluntary, which means that Naspers N Shareholders can choose not to subscribe for New Prosus Ordinary Shares N, thereby retaining their holding in Naspers in full.



The acceptance of the Exchange Offer by the Naspers N Shareholders will be subject to certain restrictions customary for transactions of this nature.

Delivery of the New Prosus Ordinary Shares N to the relevant Naspers N Shareholders (**Settlement**) is expected on Monday, 16 August 2021, or as soon as practicable thereafter (the **Settlement Date**). The full details of the Exchange Offer, including the procedures for participating in the Exchange Offer are set out in "*Exchange Offer Memorandum—Procedures for acceptances and action required by Naspers N Shareholders*".

### **The Exchange Ratio**

Subject to the terms and conditions of the Exchange Offer, Prosus will issue 2.27443 New Prosus Ordinary Shares N for each Naspers N Ordinary Share tendered to Prosus under the Exchange Offer (the **Exchange Ratio**).

Prosus seeks to acquire c. 45.33% (c. 197.4 million) of the issued Naspers N Ordinary Shares under the Exchange Offer and on the assumption that such number of Naspers N Ordinary Shares are tendered, Prosus will issue, at Settlement of the Exchange Offer, approximately 449 million New Prosus Ordinary Shares N to tendering Naspers N Shareholders. This will increase the number of issued Prosus Ordinary Shares N to 2.062 billion.<sup>5</sup>

The Exchange Ratio has been calculated and determined to ensure that both sets of shareholders benefit from the value created through the Transaction. Naspers and Prosus believe that this represents the most appropriate approach to the sharing of the value created through encouraging sufficient participation from Naspers N Shareholders while also allowing Prosus N Shareholders to benefit from the value creation as enablers of the Exchange Offer. In particular:

- the Exchange Ratio reflects a sharing of value creation between existing holders of the Naspers N Ordinary Shares and Naspers A Ordinary Shares (**Naspers Shareholders**) (72.6%) and existing Prosus free-float shareholders (27.4%) consistent with their existing ownership of the underlying NAV of Prosus and Naspers;
- assuming that Prosus Ordinary Shares N trade at the same discount to NAV after the Transaction, the value creation for existing Naspers N Shareholders is a function of swapping higher discount to NAV Naspers N Ordinary Shares to the lower discount to NAV Prosus Ordinary Shares N; or benefiting from the enhanced value of the Prosus stake held through the continued holding in Naspers N Ordinary Shares; and
- value creation for existing Prosus N Shareholders is based on NAV accretion per Prosus Ordinary Share N, as Prosus acquires Naspers N Ordinary Shares trading at a higher discount to NAV using Prosus Ordinary Shares N trading at a lower discount to NAV. Specifically, at the close of the transaction, it is expected that Prosus Shareholders benefit from a NAV per Share uplift of approximately 6.5%.

See the "*Exchange Offer Memorandum*" for further details concerning the Exchange Ratio and the Exchange Offer.

### **Authorisation and Implementation of the Capital Restructure**

On 27 May 2021, the Company issued a circular (the **Prosus Circular**) to its shareholders in relation to the extraordinary general meeting of Prosus shareholders (the **Prosus EGM**), in relation to the adoption of certain matters related to the implementation of the Capital Restructure subject to the terms and conditions set out in the Prosus Circular.

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<sup>5</sup> This number is based on a calculation that does not take into account any treasury shares held by Prosus.

At the Prosus EGM held virtually at 14:00 hours CEST on Friday, 9 July 2021, the resolution required to implement the Capital Restructure, was approved by the Prosus Shareholders on the terms and conditions set out in the Prosus Circular.

Subject to the Exchange Offer Conditions being fulfilled or waived, as applicable, the Company will implement the Capital Restructure, on the Settlement Date, which is expected to be on Monday, 16 August 2021, or as soon as practicable thereafter, implementing the following steps in the order set out below:

- the issuance of 1,128,507,756 Prosus Ordinary Shares B to Naspers against payment of a subscription price in cash, to ensure that Naspers continues to hold 72% of the aggregate issued equity shares in Prosus after the implementation of the Capital Restructure (as defined below) (the **Prosus B Share Transaction**). The subscription price for the Prosus Ordinary Shares B is €0.05 for each Prosus Ordinary Share B; the subscription amount for the 1,128,507,756 Prosus Ordinary Shares B in total will be €56,425,387.80. The proceeds will be used for general corporate purposes;
- the amendment of the Articles of Association to give effect to certain aspects of the Capital Restructure (as defined below), including, among other things, certain aspects of the Cross-Holding Arrangement and the creation of the Prosus Ordinary Shares B (the **Prosus Articles Amendment**);
- the issuance by Prosus of the New Prosus Ordinary Shares N to Naspers N Shareholders in accordance with the terms and conditions of the Exchange Offer; and
- the pro rata capitalisation issuance, subject to Settlement of the Exchange Offer, of Prosus Ordinary Shares A to the Prosus A Shareholders required under the Articles of Association (the **Prosus A Share Capitalisation Issue**), and together with the Exchange Offer, the Prosus Articles Amendment, and the Prosus B Share Transaction (including all steps, actions and transactions required to implement Prosus A Share Capitalisation Issue, the Exchange Offer, the Prosus Articles Amendment and the Prosus B Share Transaction), the Capital Restructure. The Prosus Ordinary Shares A issued under the Prosus A Share Capitalisation Issue will not have a subscription price as this constitutes a *pro rata* capitalisation issue to the Prosus A Shareholders in accordance with the Articles of Association.

The conditions to the implementation of the Capital Restructure and, in particular, the Exchange Offer, are set out in the "*Exchange Offer Memorandum*".

See "*Shareholder Structure and Related Party Transactions—Shareholder Structure—Major and Controlling Shareholders*" for the persons that are expected to have an interest in the Company's share capital or voting rights that is notifiable under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the **Dutch FMSA**) on the date on which the final step of the Capital Restructure is implemented, which is expected to be Monday, 16 August 2021 (**Capital Restructure Date**).

#### **No Offer to Holders of Naspers ADSs**

The New Prosus Ordinary Shares N are not being offered to holders of Naspers ADSs, each of which represents a beneficial interest in one fifth of a Naspers N Ordinary Share deposited with The Bank of New York Mellon, as depositary (the **Naspers Depositary**). The Naspers ADSs are issued pursuant to the deposit agreement among Naspers, the Naspers Depositary and all owners and beneficial owners of American Depositary Receipts (**Naspers ADRs**) issued thereunder evidencing the Naspers ADSs.

Holders of Naspers ADSs may participate in the Exchange Offer (including the U.S. Private Placement) only if they are otherwise eligible and withdraw the underlying Naspers N Ordinary Shares from the deposit facility and complete and return the appropriate acceptance before the expiry of the Exchange Offer (including the U.S. Private Placement). Such persons are advised that any such withdrawal must be completed in accordance with the terms and conditions of the deposit agreement, and they may incur charges, fees, expenses or withholdings in connection with the surrender and cancellation of the Naspers ADRs and withdrawal of the underlying Naspers N Ordinary Shares. Furthermore, such holders should ensure a withdrawal request is made

timely to permit them to receive the Naspers N Ordinary Shares and tender them into the Exchange Offer (including the U.S. Private Placement). To do so, they must contact the Naspers Depository and observe any procedures established by the Naspers Depository.

## Stock Exchange Admissions

### *The Company*

The Company was incorporated, and is domiciled, in the Netherlands. All of the New Prosus Ordinary Shares N will be admitted to listing and trading on Euronext Amsterdam, under the symbol "PRX", as a secondary listing, on the Main Board of the JSE, under the abbreviated name "Prosus" and the symbol "PRX" in the "Technology—Internet" sector, and, as a secondary listing, on the A2X under share code "PRX".

All inward listed shares on the JSE traded and settled in South African Rand are classified as "domestic" for the purposes of South African exchange control. See *"Important Information—Notice to Prospective Investors—No public Offering is being made to any person in any jurisdiction—Notice to Persons in South Africa"* for further information regarding South African exchange control.

It is expected that the New Prosus Ordinary Shares N will be eligible for inclusion in the indices in which the Prosus Ordinary Shares N are currently included.

### Timetable

The timetable below lists certain expected key dates for the Transaction.

<b>Event<sup>(i)</sup></b>	<b>Date (2021)</b>
<b>Publication of this Prospectus and the Exchange Offer opens<sup>(ii)</sup>.....</b>	<b>Monday, 12 July</b>
Last day to trade in Naspers N Ordinary Shares in order to be able to participate in the Exchange Offer .....	Tuesday, 10 August
Naspers N Ordinary Shares trade "ex" entitlement to participate in the Exchange Offer.....	Wednesday, 11 August
Cash value for fractional entitlements announced on JSE and A2X.....	Thursday, 12 August
Exchange Offer closes at 12:00 .....	Friday, 13 August
Record date for the Exchange Offer at 17:00	Friday, 13 August
<b>Issue of New Prosus Ordinary Shares N, Settlement<sup>(iii)</sup> of the Exchange Offer, and listing of such New Prosus Ordinary Shares N on Euronext Amsterdam, the JSE and the A2X, and implementation of the Prosus B Share Transaction and the Prosus A Share Capitalisation Issue<sup>(ii)</sup> .....</b>	<b>Monday, 16 August</b>

(i) These dates and times are subject to change and references to time are to Central European Summer Time/South African Standard Time. Any material changes will be announced in a press release published and placed on the Company's website ([www.prosus.com](http://www.prosus.com)) and on the JSE's Stock Exchange News Service (SENS).

(ii) Naspers N Shareholders that hold their Naspers N Ordinary Shares in certificated form (**Certificated Naspers N Shareholders**) and wish to participate in the Exchange Offer must bear in mind that New Prosus Ordinary Shares N will not be issued in certificated form. Such Certificated Naspers N Shareholders are reminded to appoint a custodian or broker for their brokerage account capable of holding dematerialised securities listed and trading on the JSE, the A2X or on Euronext

Amsterdam (in the case of eligible Naspers N Shareholders that intend to make a Settlement Election) to participate in the Exchange Offer, failing which their New Prosus Ordinary Shares N will be delivered into a nominee account to be held for and on behalf of such Certificated Naspers N Shareholders where the Company exercises its discretion to treat their acceptance of the Exchange Offer as valid.

- (iii) The settlement of trades in New Prosus Ordinary Shares N will take place two trading days after a trade is executed through the book-entry systems of the Netherlands Central Institute for Giro Securities Transactions (*Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.*) (**Euroclear Nederland**), in the case of Euronext Amsterdam, and three trading days after a trade is executed in the system operated by Strate Proprietary Limited (**Strate**) for dealings in uncertificated securities listed on the JSE that take place on the JSE and for dealings in certificated securities listed on the JSE that take place off-market (**Strate System**), in the case of the JSE and the A2X. Shareholders may remove their New Prosus Ordinary Shares N from the JSE and the A2X to Euronext Amsterdam and vice versa, subject to certain terms and conditions. Shareholders are referred to the Company's website ([www.prosus.com](http://www.prosus.com)) for further information concerning the removal of their New Prosus Ordinary Shares N from the JSE and the A2X to Euronext Amsterdam (and vice versa).

## Delivery, Clearing and Settlement

For purposes of Admission to:

- Euronext Amsterdam, the Prosus Ordinary Shares N are registered shares, which will be entered into the collection deposit (*verzameldepot*) and giro deposit (*girodepot*) on the basis of the Dutch Act on Securities Transactions by Giro (*Wet giraal effectenverkeer*) (the **Dutch Securities Transactions Act**). Application has been made for the Prosus Ordinary Shares N to be accepted for delivery through the book-entry facilities of Euroclear Nederland. Euroclear Nederland is located at Herengracht 459-469, 1017 BS Amsterdam, the Netherlands; and
- the JSE and the A2X, the Prosus Ordinary Shares N will be held through PLC Nominees Proprietary Limited (**PLC Nominees**) to facilitate cross-exchange holdings and the recognition of immobilised Prosus Ordinary Share N positions underlying the equivalent traded Prosus Ordinary Share N position issued in the Strate System. Strate has approved the Prosus Ordinary Shares N for delivery through the book-entry facilities of the Strate System. Strate is located at 9 Fricker Road, Illovo Boulevard, Illovo, Sandton 2196, South Africa.

Settlement of the New Prosus Ordinary Shares N issued under the Exchange Offer will take place on the JSE through the Strate System, provided that, subject to certain terms and conditions, Naspers N Shareholders that are not South African residents or residents of the Common Monetary Area or whose New Prosus Ordinary Shares N will not form part of their assets remaining in the Common Monetary Area for South African exchange control purposes (**Non-resident Naspers N Shareholders**) that provided their acceptances under the Exchange Offer, may elect to receive, and have Settlement of, the New Prosus Ordinary Shares N to which they are entitled to under the Exchange Offer on Euronext Amsterdam through the book-entry facilities of Euroclear Nederland in accordance with the instructions set out in the "*Exchange Offer Memorandum*" (the **Settlement Election**). Such Non-resident Naspers N Shareholders are referred to "*The Settlement Election*" for further information concerning the making of a Settlement Election.

Settlement of the New Prosus Ordinary Shares N issued under the Exchange Offer is expected to take place on the Settlement Date on Euronext Amsterdam through the book-entry facilities of Euroclear Nederland, in the case of Non-resident Naspers N Shareholders that make a valid Settlement Election, and on the JSE and the A2X through the Strate System, in the case of all other Naspers N Shareholders in accordance with their respective normal settlement procedures applicable to equity securities. The New Prosus Ordinary Shares N are expected to be admitted to listing and commence trading on Euronext Amsterdam, the JSE and the A2X on Monday, 16 August 2021. The trades executed on the First Trading Date are expected to settle two trading days after a trade is executed on Euronext Amsterdam and three trading days after a trade is executed on the JSE and the A2X, in accordance with the respective settlement cycles of Euronext Amsterdam and the JSE and the A2X. Post Settlement, shareholders may remove their New Prosus Ordinary Shares N from the JSE to Euronext Amsterdam and vice versa, subject to certain terms and conditions. Shareholders are referred to the Company's website ([www.prosus.com](http://www.prosus.com)) for further information concerning the removal of their New Prosus Ordinary Shares N from the JSE or the A2X to Euronext Amsterdam and vice versa. See the "*Exchange Offer*

*Memorandum*" for further information concerning practical matters pertaining to the implementation of the Exchange Offer.

The acquisition of, and trading in, Prosus Ordinary Shares N admitted to listing and trading on the Main Board of the JSE may only be done in terms of the ExCon Rules. See "*Important Information—Notice to Prospective Investors—No public Offering is being made to any person in any jurisdiction—Notice to Persons in South Africa*" for further information regarding South African exchange control.

### **Listing and Trading**

All of the New Prosus Ordinary Shares N will be admitted to listing and trading on Euronext Amsterdam, under the symbol "PRX", as a secondary listing, on the Main Board of the JSE, under the abbreviated name "Prosus" and the symbol "PRX" in the "Technology—Internet" sector, and, as a secondary listing on the A2X under share code "PRX". The New Prosus Ordinary Shares N International Security Identification Number (ISIN) is NL0013654783.

The New Prosus Ordinary Shares N will trade in Euro on Euronext Amsterdam and in South African Rand on the JSE and the A2X.

If the Exchange Offer does not become unconditional in accordance with its terms and conditions, the Admissions will not proceed.

Other than the Prosus Ordinary Shares N and the 2025 Notes, the 2027 Notes, the 2028 Notes, the 2029 Notes, the 2030 Notes, the 2031 Notes, the 2032 Notes, the 2033 Notes, the 2050 Notes and the 2051 Notes (**Company Notes**), no securities issued by the Company have been admitted to listing and trading on any other stock exchange on the First Trading Date. See "*Exchange Offer Memorandum*" for further details regarding the terms and conditions of the Exchange Offer including the Exchange Offer Conditions.

### **Interests of the Financial Advisers, the Cross-border Settlement Agent, the Euronext Listing and Paying Agent and the JSE Sponsor**

Each of the Financial Advisers, Citibank, N.A. South Africa Branch (the **Cross-border Settlement Agent**), the Euronext Listing and Paying Agent and the JSE Sponsor is acting exclusively for the Company and/or Naspers and no one else in connection with the Transaction (or any part of it). They will not regard any other person (whether or not a recipient of this Prospectus) as their respective clients in relation to the Transaction and will not be responsible to anyone other than the Company and/or Naspers for providing the protections afforded to their respective clients or for giving advice in relation to, respectively, the Transaction (or any part of it) or any transaction or arrangement referred to in this Prospectus.

Each of the Financial Advisers, the Cross-border Settlement Agent, the Euronext Listing and Paying Agent, the JSE Sponsor and/or their respective affiliates has in the past engaged, and may in the future, from time to time, engage in commercial banking, investment banking and financial advisory, lending services and ancillary activities in the ordinary course of its business with the Group and/or the Naspers Group (or any parties related to the Group and/or Naspers Group) for which it has received or may receive customary compensation, fees and/or commission. The Financial Advisers, the Cross-border Settlement Agent, the Euronext Listing and Paying Agent, the JSE Sponsor and/or their respective affiliates may provide such services to the Group in the future. In particular, affiliates of each of the Financial Advisers, the Cross-border Settlement Agent and the Euronext Listing and Paying Agent are lenders under the Revolving Credit Facility. The Company is the borrower under the Revolving Credit Facility.

Each of the Financial Advisers, the Cross-border Settlement Agent, the Euronext Listing and Paying Agent, the JSE Sponsor and any of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which each of them and any of their affiliates may from time to time acquire, hold or dispose of Prosus Ordinary Shares N. None of the Financial Advisers, the Cross-border Settlement Agent, the Euronext Listing and Paying Agent, the JSE Sponsor or their affiliates intends to disclose

the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so. As a result of these transactions, the Financial Advisers, the Cross-border Settlement Agent, the Euronext Listing and Paying Agent, the JSE Sponsor may have interests that may not be aligned, or could potentially conflict, with the interests of investors, the Company or Naspers.

### **Euronext Listing and Paying Agent**

ING Bank N.V. is the listing and paying agent with respect to the Admission to Euronext Amsterdam. ING Bank N.V. is located at Bijlmerdreef 106, 1102 CT Amsterdam (the Netherlands).

### **Cross-border Settlement Agent**

Citibank, N.A. South Africa Branch is the Cross-border Settlement Agent for the transfer of Prosus Ordinary Shares N between Euronext Amsterdam and the JSE. Citibank, N.A. South Africa Branch is located at 145 West Street, Sandown, Johannesburg 2196 (South Africa).

### **JSE Transfer Secretary**

Computershare Investor Services Proprietary Limited is the Company's transfer secretary for purposes of settlement of Prosus Ordinary Shares N through the Strate System. Computershare Investor Services Proprietary Limited is located at Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg 2196 (South Africa).

### **JSE Sponsor**

The Company's sponsor for JSE purposes is Investec Bank Limited. Investec Bank Limited is located at 100 Grayston Drive, Sandton, Johannesburg 2196 (South Africa).

## EXCHANGE OFFER MEMORANDUM

***Prior to any Naspers N Shareholder taking any action in terms of this Exchange Offer Memorandum, Naspers N Shareholders are advised to carefully consider the contents of this Prospectus in full and to only take action after having considered the potential effects of the Capital Restructure detailed in this Prospectus.***

### Summary of the Exchange Offer and Implications

In recent years, Naspers and the Company have taken several actions designed to unlock value for shareholders over time, including the unbundling and listing of MultiChoice Group Limited on the JSE in January 2019, the Prosus listing in September 2019, improvements in the Group's operations and the US\$5 billion return of capital by Prosus through a repurchase of Prosus Ordinary Shares N and a purchase of Naspers N Ordinary Shares that commenced on 24 November 2020. The Group's consistent outperformance and the rapid increase in the value of the Group's portfolio since the Prosus listing and the significant outperformance of consumer internet companies in 2020/2021 has led to further action being required to be taken by the Company to address the structural issue created by Naspers's outsized position on the SWIX and the resultant forced selling of Naspers N Ordinary Shares by many South African-based investors with single exposure limits and mandate restrictions, which is believed to be a contributor to the widening of Naspers's discount to NAV.

On 12 May 2021, the Company and Naspers announced the intention for Prosus to pursue the Capital Restructure involving, among other things, the Exchange Offer by Prosus to the Naspers N Shareholders in terms of which the Naspers N Shareholders, subject to its certain terms and conditions, may subscribe for the New Prosus Ordinary Shares N in exchange for their Naspers N Ordinary Shares at the Exchange Ratio of 2.27443 New Prosus Ordinary Shares N for each Naspers N Ordinary Share. The Capital Restructure, including the Exchange Offer, is being pursued for the following reasons:

- to create value for Naspers N Shareholders and Prosus N Shareholders;
- to meaningfully and sustainably reduce Naspers's overweight position on the SWIX, thereby directly addressing what is believed to be a key driver of the discount to Naspers's NAV;
- increase the Company's free-float materially, with an expected commensurate increase in overall trading liquidity, market index weightings and positive trading dynamics;
- maintain the current voting position, the legal entity structure and group tax situation of Naspers and the Company; and
- maintain the Group's operational, strategic and financial flexibility to create value over the long term and take further value-creating actions.

The Exchange Offer is an opportunity for the Naspers N Shareholders to receive additional direct exposure in the Company should they accept the Exchange Offer. The Naspers N Shareholders that do not accept the Exchange Offer, or are restricted as described under "*Important Information—Notice to Prospective Investors*", will continue to benefit from their indirect exposure to the Company through the cross-holding structure between the Company and Naspers after the implementation of the Capital Restructure.

Naspers N Shareholders participating in the Exchange Offer will receive a value benefit from exchanging higher discount to NAV Naspers N Ordinary Shares for lower discount to NAV Prosus Ordinary Shares N. If Settlement of the Exchange Offer would have occurred on 11 May 2021 (the date before announcement of the Capital Restructure), that value benefit for participating Naspers N Shareholders would have been approximately 10%.<sup>6</sup>

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<sup>6</sup> The value benefit that a Naspers shareholder receives in respect of the New Prosus Ordinary Shares, is based on the difference between (i) its participation in the underlying NAV of Naspers and the discount at which Naspers's shares trade to their NAV, compared to (ii) the participation it will hold in Prosus's NAV as a result of the Exchange Offer and the discount at which Prosus trades to its NAV. Based on

While Prosus free-float shareholders' voting rights are expected to dilute from approximately 26.8% to 13.5% after Settlement, it is expected that Prosus's free-float shareholders will experience a NAV per Share uplift of approximately 6.5%. The 6.5% uplift in NAV per Share is driven by two factors. First of all, the number of New Prosus Ordinary Shares N that will be issued is 448,991.535, while Prosus will indirectly acquire 540,581,052 of the existing Prosus Ordinary Shares N held by Naspers. The difference between the number of New Prosus Ordinary Shares N and the indirectly acquired, existing, Prosus Ordinary Shares N represents 5.7% of the issued Prosus Ordinary Shares N in total<sup>7</sup>, resulting in an uplift in NAV per Share. Secondly, the remaining 0.8% uplift in NAV per Share relates to the 49.5% that Prosus will hold of the NAV that sits at Naspers level, other than Naspers's investment in Prosus.

Subject to the restrictions set out in "*Notice to Naspers N Shareholders in Certain Jurisdictions*" below, the Exchange Offer is open to all Naspers N Shareholders and the Naspers N Shareholders can accept the Exchange Offer in accordance with the instructions set out herein and tender up to 100% of their existing Naspers N Ordinary Share holdings, but the Company will not acquire a number of the Naspers N Ordinary Shares from the Naspers N Shareholders that would exceed, in aggregate, c. 45.33% of the total issued Naspers N Ordinary Shares, which, in conjunction with the 3.67% Naspers N Ordinary Shares already held by the Company, would result in the Company holding more than 49% of the issued Naspers N Ordinary Shares on the Settlement Date.

The Exchange Offer is open from 09:00 hours CEST on Monday, 12 July 2021, and will close at 12:00 hours CEST on Friday, 13 August 2021. Consequently, the last day for the Naspers N Shareholders to trade in the Naspers N Ordinary Shares to participate in the Exchange Offer is Tuesday, 10 August 2021.

Participation in the Exchange Offer is voluntary and the Naspers N Shareholders that do not wish to participate in the Exchange Offer need not take any action to retain their Naspers N Ordinary Share holdings in full.

The form of acceptance and transfer (*blue*) attached to and forming part of this Prospectus (**Form of Acceptance and Transfer**) is only for use by Certificated Naspers N Shareholders that wish to participate in the Exchange Offer but have not dematerialised (the process by which documents of title evidencing such shares held are replaced by an electronic record of such shares either in the Strate System or Euroclear Nederland, as applicable, hereafter **Dematerialised** or **Dematerialised Form**) their Naspers N Ordinary Shares which are represented by a Document of Title (**Certificated Naspers N Ordinary Shares**) for these purposes. Naspers N Shareholders that hold their Naspers N Ordinary Shares in Dematerialised Form (**Dematerialised Naspers N Shareholders**) must not complete the attached Form of Acceptance and Transfer (*blue*) and should contact their CSDP or Broker in relation to their intention to participate in the Exchange Offer. If you are in any doubt as to what action you should take, please consult your Broker, banker, legal adviser, CSDP or other professional adviser immediately. If you have disposed of all of your Naspers N Ordinary Shares, then this Prospectus, together with the accompanying Form of Acceptance and Transfer (*blue*), should, subject to applicable securities law, be forwarded to the purchaser of such Naspers N Ordinary Shares or to the Broker, banker, CSDP or other agent through whom the disposal was effected.

If you require assistance with providing your acceptance under the Exchange Offer, please contact:

- the call centre operated by Singular Systems Proprietary Limited (**Call Centre**) that can be contacted on 087 015 0343 during weekdays (excluding South African and Dutch public holidays) from 07:00 hours SAST/CEST to 18:00 hours SAST/CEST, from 09:00 hours SAST/CEST on Monday, 12 July 2021, to 17:00 hours SAST/CEST on Friday, 13 August 2021;
- JSE Investor Services Proprietary Limited the (**Naspers JSE Transfer Secretary**), who can be contacted at +27 (0)11 029 0253 or +27 (0)86 140 0110 from Monday, 12 July 2021, to Monday, 16 August 2021 (excluding South African public holidays);

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the share prices of Naspers and the Share price of Prosus and the underlying NAV of their respective asset portfolios as of 11 May 2021 (the last day of trading before the announcement of the proposed transaction) represents a 10% increase in value.

<sup>7</sup> This percentage excludes the treasury shares in Prosus.



- Computershare Investor Services Proprietary Limited (the **JSE Transfer Secretary**), who can be contacted at +27 (0) 86 110 0933 from Monday, 12 July 2021, to Monday, 16 August 2021 (excluding South African public holidays); or
- the Euronext Listing and Paying Agent who can be contacted via e-mail ([iss.pas@ing.com](mailto:iss.pas@ing.com)) or by phone at +31 20 563 6685 or +31 20 563 6619 from Monday, 12 July 2021, to Monday, 16 August 2021 (excluding Dutch public holidays).

## Introduction

On 12 May 2021, the Company announced its intention to implement, among other things, the Exchange Offer.

On 27 May 2021, the Company issued the Prosus Circular to its shareholders in relation to the extraordinary general meeting of Prosus shareholders (the **Prosus EGM**), in relation to the approval of certain matters related to the implementation of the Capital Restructure, including the Exchange Offer, subject to the terms and conditions set out in the Prosus Circular.

At the Prosus EGM held virtually at 14:00 hours CEST on Friday, 9 July 2021, the resolution required to implement the Capital Restructure, including the Exchange Offer, was approved by the Shareholders on the terms and conditions set out in the Prosus Circular.

The Board approved the publication of this Prospectus and matters related to the execution of the Exchange Offer.

The purpose of this "*Exchange Offer Memorandum*" chapter of this Prospectus (the **Exchange Offer Memorandum**) is to provide the Naspers N Shareholders with:

- the relevant information regarding the terms and conditions of the Exchange Offer;
- the relevant information regarding how to participate in the Exchange Offer; and
- further information regarding the settlement and other practical matters relating to the Exchange Offer.

To obtain a full understanding of the terms and conditions of the Exchange Offer, the contents of this Exchange Offer Memorandum should be read in its entirety together with the contents of this Prospectus.

## The Exchange Offer

The Company hereby makes the Exchange Offer to the Naspers N Shareholders in terms of which, through a *pro rata* voluntary tender offer to the Naspers N Shareholders, the Naspers N Shareholders are entitled to exchange their Naspers N Ordinary Shares for New Prosus Ordinary Shares N at the Exchange Ratio of 2.27443 New Prosus Ordinary Shares N for each Naspers N Ordinary Share tendered in accordance with the terms and conditions set out in this Prospectus.

The Company will acquire no more than 197,408,377 Naspers N Ordinary Shares (representing c. 45.33% of the total issued Naspers N Ordinary Shares as at the Record Date of the Exchange Offer), such that the Company will hold 49% of the total issued Naspers N Ordinary Shares (in conjunction with the 3.67% Naspers N Ordinary Shares already held by the Company) on the implementation of the Exchange Offer on the Settlement Date.

Subject to the terms and conditions of the Exchange Offer, the Naspers N Shareholders can tender up to 100% of their existing Naspers N Ordinary Share holdings. The Naspers N Shareholders that do not wish to participate in the Exchange Offer will retain their holdings in Naspers in full.

In tendering their Naspers N Ordinary Shares under the Exchange Offer, the Naspers N Shareholders must bear in mind the limit placed on the total number of Naspers N Ordinary Shares that the Company will acquire under the Exchange Offer and that tenders in excess of the base entitlement under the Exchange Offer may be scaled back depending on the level of acceptances received by the Company under the Exchange Offer. See "*Scale Back Process*" for further information regarding the potential scale back process in respect of any Naspers N Ordinary Shares tendered in excess of the base entitlement under the Exchange Offer.

Subject to the scale back process where applicable, the Naspers N Shareholders that provide their acceptances under the Exchange Offer will, on the Settlement Date, transfer their selected number of Naspers N Ordinary Shares that were held by them as at the record date for the Exchange Offer (**Record Date**) and tendered in terms of the Exchange Offer to the Company in exchange for being issued with the New Prosus Ordinary Shares N at the Exchange Ratio on the Settlement Date, expected to occur on Monday, 16 August 2021 or as soon as practicable thereafter.

Subject to the terms and conditions of the Exchange Offer, the Company proposes to issue up to 449 million New Prosus Ordinary Shares N in total to the Naspers N Shareholders that will participate in the Exchange Offer. This will increase the number of issued Prosus Ordinary Shares N to 2,062 million.

Naspers N Shareholders are reminded that, as set out in the Prosus Circular, the Board reserves the right, in its discretion, to decide not to proceed with the Exchange Offer before 14:00 hours CEST on Tuesday, 10 August 2021, and, as such, the Exchange Offer may or may not proceed.

The Exchange Offer (including the U.S. Private Placement) is not open for acceptance by the holders of Naspers ADSs, each of which represents a beneficial interest in one fifth of a Naspers N Ordinary Share deposited with The Bank of New York Mellon, as depositary (**Naspers Depositary**). The Naspers ADSs are issued pursuant to the deposit agreement among Naspers, the Naspers Depositary and all owners and beneficial owners of American Depositary Receipts (Naspers ADRs) issued thereunder evidencing the Naspers ADSs.

Holders of Naspers ADSs may participate in the Exchange Offer (including the U.S. Private Placement) only if they are otherwise eligible and withdraw the underlying Naspers N Ordinary Shares from the deposit facility and complete and return the appropriate acceptance before the expiry of the Exchange Offer (including the U.S. Private Placement). Such persons are advised that any such withdrawal must be completed in accordance with the terms and conditions of the deposit agreement, and they may incur charges, fees, expenses or withholdings in connection with the surrender and cancellation of the Naspers ADRs and withdrawal of the underlying Naspers N Ordinary Shares. Furthermore, such holders should ensure a withdrawal request is timeously made to permit them to receive the Naspers N Ordinary Shares and tender them into the Exchange Offer (including the U.S. Private Placement). To do so, they must contact the Naspers Depositary and observe any procedures established by the Naspers Depositary.

***See "—Procedures for acceptances and action required by Naspers N Shareholders" below for further information regarding participation in the Exchange Offer.***

### ***Background to, and Reasons for, the Exchange Offer***

The Company and Naspers have a long history of value creation, identifying and investing in attractive growth opportunities around the world and generating returns for shareholders. This investment strategy led to the rapid growth of the Naspers Group, creating value for all shareholders. By August 2019, however, Naspers's size on the JSE, at c. 25.9% of the SWIX, had become untenable. Many South African-based investors have single share limits and mandate restrictions, which led to forced selling of Naspers shares as it meaningfully outperformed the JSE. The Group believes this forced selling contributed to a widening of Naspers's discount to NAV.

To begin addressing this structural issue and to unlock value for shareholders, Naspers listed the Company on Euronext Amsterdam. The Prosus listing unlocked US\$16 billion of value for shareholders at the time of execution and successfully reduced Naspers's size to c. 18.4% of the SWIX. The Prosus listing also created

Europe's largest consumer internet company, providing a strong platform to attract incremental investor capital to support the Group's continued growth ambitions.

The Company's strong performance, however, made it clear that further action would be required. Since the Prosus listing, the value of the Group's portfolio has rapidly increased in line with the significant outperformance of consumer internet companies in 2020/2021. As a result, Naspers's weight on the benchmark SWIX has risen back to c. 23.3% in April 2021, again contributing to the widening of the discount to NAV. Due to the overlap in the underlying asset portfolio of Naspers and Prosus, the Naspers share price and its relative discount to NAV has a potential indirect impact on the Share price of the Company, which has may have negatively impacted, and dragged upward, the discount to the NAV of the Company. There has been a correlation in the directional move of the discount to NAV at which Naspers and Prosus has traded, albeit that Prosus has since its listing in September 2019, consistently traded at a lower discount to its underlying NAV than Naspers. Indeed, had Naspers not taken action in 2019, Naspers's weight on the SWIX would now be in excess of 30%, an untenable position for one company and one unmatched on any other major international exchange. Additionally, the Group's investments in social platforms, Food Delivery, Classifieds, Edtech and fintech are expected to continue to grow significantly faster than other sectors on the JSE in the future. Given Naspers's current and rising concentration on the JSE and the Group's expected future performance, it is necessary to sustainably right-size Naspers and the Company on their respective exchanges. The Group believes that inaction should not be viewed as an option as it is almost certain to exacerbate the current problem and set Naspers on a path to representing more than 30% of the SWIX, resulting in forced sales from investors following both the SWIX and FTSE/JSE Capped Indices to the FTSE/JSE Africa Index Series.

In developing a solution, in consultation with leading advisers, Naspers and Prosus over a year conducted a careful and comprehensive evaluation of all options available. It is clear the chosen approach is the optimal one for the business right now. This approach is highly efficient and implementable, and the Group believes it enhances optionality to unlock value upon executing the transaction and in the future. Over the same time period, the Group assessed many other potential options and determined that none of these options delivered the same level of regulatory approval certainty nor did they achieve a similar outcome in terms of size and lasting effect.

The Company and Naspers have decided to pursue the Capital Restructure, including the Exchange Offer, for the following reasons:

- it is expected to create immediate value for Shareholders. Specifically, at the close of the Exchange Offer, it is expected that Shareholders will experience a NAV per Share uplift of approximately 6.5%. The 6.5% uplift in NAV per Share is driven by two factors. First of all, the number of New Prosus Ordinary Shares N that will be issued is 448,991,535, while Prosus will indirectly acquire 540,581,052 of the existing Prosus Ordinary Shares N held by Naspers. The difference between the number of New Prosus Ordinary Shares N and the indirectly acquired, existing, Prosus Ordinary Shares N represents 5.7% of the issued Prosus Ordinary Shares N in total<sup>8</sup>, resulting in an uplift in NAV per Share. Secondly, the remaining 0.8% uplift in NAV per Share relates to the 49.5% that Prosus will hold of the NAV that sits at Naspers level, other than Naspers's investment in Prosus;
- Naspers N Shareholders participating in the Exchange Offer will receive a value benefit from exchanging higher discount to NAV Naspers N Ordinary Shares for lower discount to NAV Prosus Ordinary Shares N. If Settlement of the Exchange Offer would have occurred on 11 May 2021 (the date before announcement of the Capital Restructure), that value benefit for participating Naspers N Shareholders would have been approximately 10%;<sup>9</sup>

<sup>8</sup> This percentage excludes the treasury shares in Prosus.

<sup>9</sup> The value benefit that a Naspers shareholder receives in respect of the New Prosus Ordinary Shares, is based on the difference between (i) its participation in the underlying NAV of Naspers and the discount at which Naspers's shares trade to their NAV, compared to (ii) the participation it will hold in Prosus's NAV as a result of the Exchange Offer and the discount at which Prosus trades to its NAV. Based on the share prices of Naspers and the Share price of Prosus and the underlying NAV of their respective asset portfolios as of 11 May 2021 (the last day of trading before the announcement of the proposed transaction) represents a 10% increase in value.

- it directly and sustainably addresses a key driver of the Naspers discount to its NAV, by almost halving its weighting on the SWIX, while maintaining Naspers's standing as the largest JSE listed South African domiciled company by market capitalisation;
- it fundamentally improves the investment profile of the Company by increasing its free-float materially, with an expected commensurate increase in overall trading liquidity, market index weightings and positive trading dynamics. Post-transaction, the Company is expected to be a Top20 of EURO STOXX 50 Index company. Naspers remains the largest shareholder in the Company and an improvement in the Company's investment profile benefits Naspers;
- it maintains Naspers's South African domicile status and ensures the company has sustainable, clear and lasting control of the Company, with the Company remaining a controlled foreign company of Naspers and maintaining its current tax status and tax obligations under South African law; and
- the Capital Restructure preserves optionality to take further steps in the future to continue to address the discounts to NAV of both the Company and Naspers.

### ***Key Benefits of the Exchange Offer***

The Capital Restructure, including the Exchange Offer, is expected to result in a significant value unlock for Shareholders and Naspers Shareholders at the time of the transaction and in the future. The Group and the Naspers Group are confronted with a complex structural issue related to the size of Naspers on the SWIX and believe the Capital Restructure clearly presents the steps to a practical and simple end state, while preserving all future optionality to take further steps to reduce the discount to NAV. In addition, the Capital Restructure, including the Exchange Offer, is expected to:

- create value for Naspers N Shareholders and Prosus N Shareholders;
- meaningfully and sustainably reduce Naspers's overweight position on the SWIX, thereby directly addressing what is believed to be a significant driver of the discount to Naspers's NAV;
- increase the Company's free-float materially, with an expected commensurate increase in overall trading liquidity, market index weightings and positive trading dynamics;
- maintain the current voting position, the legal entity structure and group tax situation of Naspers and the Company; and
- maintain operational, strategic and financial flexibility to create value over the long term and take further value-creating actions.

Naspers N Shareholders participating in the Exchange Offer will receive a value benefit from exchanging higher discount to NAV Naspers N Ordinary Shares for lower discount to NAV Prosus Ordinary Shares N. If Settlement of the Exchange Offer would have occurred on 11 May 2021 (the date before announcement of the Capital Restructure) that value benefit for participating Naspers N Shareholders would have been approximately 10%.<sup>10</sup>

The Capital Restructure should not be viewed in isolation. In recent years, the Company and Naspers have taken several actions designed to unlock value for shareholders over time, including the unbundling and listing of MultiChoice Group Limited on the JSE in January 2019, the Prosus listing in September 2019, improvements in the Group's operations and the recent US\$5 billion return of capital by the Company through

<sup>10</sup> The value benefit that a Naspers shareholder receives in respect of the New Prosus Ordinary Shares, is based on the difference between (i) its participation in the underlying NAV of Naspers and the discount at which Naspers's shares trade to their NAV, compared to (ii) the participation it will hold in Prosus's NAV as a result of the Exchange Offer and the discount at which Prosus trades to its NAV. Based on the share prices of Naspers and the Share price of Prosus and the underlying NAV of their respective asset portfolios as of 11 May 2021 (the last day of trading before the announcement of the proposed transaction) represents a 10% increase in value.

a repurchase of Prosus Ordinary Shares N and a purchase of Naspers N Ordinary Shares. Moreover, the Capital Restructure preserves the optionality to take further steps in the future to continue to address the discounts to the NAV of both the Company and Naspers.

### ***The Exchange Ratio***

The Exchange Ratio for the Exchange Offer is 2.27443 New Prosus Ordinary Shares N for each Naspers N Ordinary Share tendered under the Exchange Offer.

The Exchange Ratio has been calculated to ensure that Shareholders and the Naspers Shareholders benefit from the value creation through the Exchange Offer. Naspers and the Company believe that this represents the most appropriate approach to the sharing of the value created through encouraging sufficient participation from Naspers N shareholders while also allowing Prosus N Shareholders to benefit from the value creation as enablers of the offer. In particular:

- the Exchange Ratio reflects a sharing of value creation between existing Naspers Shareholders (72.6%) and the Company's existing free-float shareholders (27.4%) consistent with their existing ownership of the underlying NAV of the Company and Naspers; and
- assuming that the Prosus Ordinary Shares N trade at the same discount to NAV after the Capital Restructure, the value creation for existing Naspers N Shareholders is a function of moving underlying value/NAV from the higher discount to NAV, Naspers N Ordinary Shares, to the lower discount to NAV, Prosus Ordinary Shares N; or benefiting from the enhanced value of the Prosus stake held through the continued holding in Naspers N Ordinary Shares.

### ***The Exchange Offer Conditions***

Settlement of the Exchange Offer on the Settlement Date is subject to the fulfilment or waiver, as applicable, in accordance with the following terms and conditions precedent (the **Exchange Offer Conditions**):

- the Company not releasing an announcement on SENS and the A2X's News Service (**ANS**) before 14:00 hours CEST on Tuesday, 10 August 2021, that the Board has exercised its right, in its discretion, to decide that the Company will not proceed with the Exchange Offer;
- the Company obtaining all regulatory approvals required to implement the Capital Restructure (the **Regulatory Approvals Condition**); and
- the Company having received and accepted, or the Company being satisfied that it has received and accepted, valid acceptances from the Naspers N Shareholders under the Exchange Offer at the close of the Exchange Offer at 12:00 hours CEST on Friday, 13 August 2021, representing the tender of not less than 197,408,377 Naspers N Ordinary Shares (representing c. 45.33% of the total issued Naspers N Ordinary Shares as at the Record Date of the Exchange Offer), such that the Company will hold 49% of the total issued Naspers N Ordinary Shares (in conjunction with the 3.67% Naspers N Ordinary Shares already held by the Company) on the implementation of the Exchange Offer on the Settlement Date (the **Minimum Acceptance Condition**).

The Exchange Offer Conditions are for the benefit of the Company and Naspers. The Company and Naspers by agreement, in writing, may:

- extend the fulfilment time or date of each of the Exchange Offer Conditions on or before each fulfilment date and/or time; and/or
- waive the fulfilment of each of the Exchange Offer Conditions on or before each fulfilment date and/or time, other than the Minimum Acceptance Condition or the Regulatory Approval Condition which is not capable of waiver.

Upon the fulfilment, waiver or extension of the fulfilment date and/or time of each of the Exchange Offer Conditions, the Company will release an announcement on SENS and ANS informing the Naspers N Shareholders, accordingly, provided that:

- the Company will not be entitled to announce that it will not proceed with the Exchange Offer after 14:00 hours CEST on Tuesday, 10 August 2021, other than where the Minimum Acceptance Condition or the Regulatory Approvals Condition has not been fulfilled; and
- the extension of the fulfilment time or date of the Minimum Acceptance Condition may only be extended where the period for the Exchange Offer (commencing on the date of this Prospectus, 12 July 2021, and expected to end at 17:00 hours CEST on Friday, 13 August 2021) (the **Exchange Offer Period**) has been extended in accordance with the terms and conditions set out in this Exchange Offer Memorandum.

The Exchange Offer will be unconditional when all the Exchange Offer Conditions have been fulfilled or waived, as applicable.

### **Exchange Offer Timetable**

The timetable below lists certain expected key dates for the Exchange Offer.

<b>Event</b>	<b>Date (2021)</b>
<b>Acceptance period in relation to the Exchange Offer opens.....</b>	<b>Monday, 12 July</b>
Last day to trade in Naspers N Ordinary Shares on the JSE and the A2X in order to be able to participate in the Exchange Offer.....	Tuesday, 10 August
Naspers N Ordinary Shares trade "ex" entitlement to participate in the Exchange Offer on the JSE and the A2X on .....	Wednesday, 11 August
Cash value for fractional entitlements to New Prosus Ordinary Shares N announced on SENS and ANS on .....	Thursday, 12 August
Acceptances in relation to the Exchange Offer close at 12:00 hours CEST on .....	Friday, 13 August
Record Date in respect of the Exchange Offer at 17:00 hours CEST on .....	Friday, 13 August
<b>Settlement of the Exchange Offer .....</b>	<b>Monday, 16 August</b>

- (i) These dates and times are subject to change and references to time are to Central European Summer Time/South African Standard Time. Any material changes will be announced in a press release published and placed on the Company's website ([www.prosus.com](http://www.prosus.com)) and on SENS and ANS.
- (ii) In the case of Certificated Naspers N Shareholders that wish to participate in the Exchange Offer but have not Dematerialised their Certificated Naspers N Ordinary Shares for these purposes by 17:00 hours SAST on Tuesday, 10 August 2021, the completed and signed Form of Acceptance and Transfer (*blue*) in respect of their Certificated Naspers N Ordinary Shares tendered under the Exchange Offer must be returned to the JSE Transfer Secretary so as to be received by not later than 12:00 hours CEST on Friday, 12 August 2021. Dematerialised Naspers N Shareholders that wish to participate in the Exchange Offer must inform their CSDP, Broker or other nominee if they choose to accept the Exchange Offer in accordance with the agreement between such Naspers N Shareholders and their respective CSDP, Broker or other nominee.
- (iii) The settlement of trades in New Prosus Ordinary Shares N will take place two trading days after a trade is executed through the book-entry systems of Euroclear Nederland, in the case of Euronext Amsterdam, and three trading days after a trade is executed in the Strate System, in the case of the JSE and the A2X. Shareholders may remove their New Prosus Ordinary Shares N from the JSE or the A2X to Euronext Amsterdam and vice versa, subject to certain terms and conditions. Shareholders are referred to the Company's website ([www.prosus.com](http://www.prosus.com)) for further information concerning the removal of their New Prosus Ordinary Shares N from the JSE or the A2X to Euronext Amsterdam (and vice versa).
- (iv) No Naspers N Ordinary Shares may be rematerialised or Dematerialised from Wednesday, 11 August 2021, to Friday, 13 August 2021, both days inclusive.
- (v) In relation to Naspers N Shareholders that wish to participate in the Exchange Offer, please note that no dematerialisation or rematerialisation of Naspers N Ordinary Shares may take place from the date on which an acceptance has been validly made.

- (vi) The Certificated Naspers N Shareholders that wish to dematerialise their Certificated Naspers N Ordinary Shares and transfer them into a custodian or brokerage account capable of holding uncertificated securities listed and trading on the JSE or the A2X, as applicable (**JSE Brokerage Account**) in anticipation of participating in the Exchange Offer must bear in mind the cut-off time of 12:00 hours CEST/SAST on the Exchange Offer Closing Date in relation to the time it will take to do so.
- (vii) Acceptances by the Naspers N Shareholders under the Exchange Offer shall be irrevocable and may not be withdrawn once validly executed by a Naspers N Shareholder.

### **Procedures for acceptances and action required by Naspers N Shareholders**

If you wish to participate in the Exchange Offer, the action you need to take is set out below.

The Naspers N Shareholders that do not wish to participate in the Exchange Offer do not need to take any action in relation to the Exchange Offer and will continue to hold their existing Naspers N Ordinary Shares where the Exchange Offer is implemented.

For the avoidance of doubt, the Naspers N Shareholders that wish to participate in the Exchange Offer are entitled to provide their acceptances under the Exchange Offer from Monday, 12 July 2021, until 12:00 hours CEST on Friday, 13 August 2021; however, any tendered Naspers N Ordinary Shares will not be acquired by, and surrendered to, the Company until the Exchange Offer has become unconditional and is settled on the Settlement Date, which is currently expected to occur on Monday, 16 August 2021 or as soon as practicable thereafter.

**THE ATTACHED FORM OF ACCEPTANCE AND TRANSFER (*BLUE*) IS ONLY FOR USE BY CERTIFICATED NASPERS N SHAREHOLDERS THAT WISH TO PARTICIPATE IN THE EXCHANGE OFFER BUT HAVE NOT DEMATERIALISED THEIR CERTIFICATED NASPERS N ORDINARY SHARES FOR THESE PURPOSES. DEMATERIALISED NASPERS N SHAREHOLDERS MUST NOT COMPLETE THE ATTACHED FORM OF ACCEPTANCE AND TRANSFER (*BLUE*) AND SHOULD CONTACT THEIR CSDP OR BROKER IN RELATION TO THEIR INTENTION TO PARTICIPATE IN THE EXCHANGE OFFER. IF YOU ARE IN ANY DOUBT AS TO WHAT ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR BROKER, BANKER, LEGAL ADVISER, CSDP OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. IF YOU HAVE DISPOSED OF ALL OF YOUR NASPERS N ORDINARY SHARES, THEN THIS PROSPECTUS, TOGETHER WITH THE ACCOMPANYING FORM OF ACCEPTANCE AND TRANSFER (*BLUE*), SHOULD, SUBJECT TO APPLICABLE SECURITIES LAW, BE FORWARDED TO THE PURCHASER OF SUCH NASPERS N ORDINARY SHARES OR TO THE BROKER, BANKER, CSDP OR OTHER AGENT THROUGH WHOM THE DISPOSAL WAS EFFECTED.**

Any Naspers N Shareholder that wishes to accept the Exchange Offer must carefully read the contents of this Prospectus in full in order to gain a full understanding of the Exchange Offer, the Company (and its operations) and the New Prosus Ordinary Shares N.

#### **(A) If you hold Certificated Naspers N Ordinary Shares:**

To accept the Exchange Offer in respect of any Certificated Naspers N Ordinary Shares, you must complete the attached Form of Acceptance and Transfer (*blue*) in accordance with the instructions set out therein and send the completed and signed Form of Acceptance and Transfer (*blue*) to the Naspers JSE Transfer Secretary to be received by them as soon as possible but by no later than at 12:00 hours CEST on Friday, 13 August 2021 at the following addresses:

**Hand deliveries to:**

JSE Investor Services (Pty) Ltd  
13th Floor  
19 Ameshoff Street  
Braamfontein  
Johannesburg

**Postal deliveries to:**

JSE Investor Services (Pty) Ltd  
PO Box 4844  
Johannesburg  
2000

2001

Certificated Naspers N Shareholders are advised to take into consideration postal delivery times when posting their Form of Acceptance and Transfer (*blue*) to the Naspers JSE Transfer Secretary.

The Board may, in its discretion, treat as invalid or give effect to Forms of Acceptance and Transfer (*blue*) received after 12:00 hours CEST/SAST on the Record Date (but prior to the implementation of the Exchange Offer) or Forms of Acceptance and Transfer (*blue*) that have not been completed in accordance with any instructions in this Prospectus and/or the Forms of Acceptance and Transfer (*blue*) but received prior to the implementation of the Exchange Offer.

Certificated Naspers N Shareholders are reminded that no New Prosus Ordinary Shares N will be issued in certificated form. Naspers N Shareholders that wish to tender their Certificated Naspers N Ordinary Shares must ensure that they appoint a provider of their JSE Brokerage Account or, if they wish to make a Settlement Election, their custodian or brokerage account capable of holding uncertificated securities listed and trading on Euronext Amsterdam (**Euronext Amsterdam Brokerage Account**) and notify them of their instructions in relation to the Exchange Offer.

In the event, by 12:00 hours CEST on Friday, 13 August 2021, that a Certificated Naspers N Shareholder:

- does not appoint a Euronext Amsterdam Brokerage Account provider or JSE Brokerage Account provider for executing their instructions for participating in the Exchange Offer for their Euronext Amsterdam Brokerage Account or the JSE Brokerage Account, as the case may be, to be credited with their New Prosus Ordinary Shares N; and/or
- fails to submit a Form of Acceptance and Transfer (*blue*) completed in accordance with the instructions set out therein, where their tendered Naspers N Ordinary Shares have not been Dematerialised, but their acceptance of the Exchange Offer is treated as valid in accordance with the Company's discretion, the New Prosus Ordinary Shares N to which the Certificated Naspers N Shareholder is entitled will be transferred to a nominee and be held on behalf and for the benefit of such Naspers N Shareholder.

Certificated Naspers N Shareholders' JSE Brokerage Accounts or Euronext Amsterdam Brokerage Accounts, as the case may be, are expected to be credited/updated on the Settlement Date, currently expected to occur on Monday, 16 August 2021 or as soon as practicable thereafter, in relation to their acceptance under the Exchange Offer.

If a valid Form of Acceptance and Transfer (*blue*) is received by the Naspers JSE Transfer Secretary, with the relevant share certificate, certified transfer deed, balance receipt and/or any other form of document evidencing title to Naspers N Ordinary Shares acceptable to the Company (**Documents of Title**) to the Certificated Naspers N Ordinary Shares, prior to 12:00 hours CEST on the Exchange Offer Closing Date, the Documents of Title being surrendered in acceptance of the Exchange Offer will be held in trust by the Naspers JSE Transfer Secretary, at the risk of the relevant Certificated Naspers N Shareholder, pending the implementation of the Exchange Offer.

If Documents of Title relating to any Certificated Naspers N Ordinary Shares tendered under the Exchange Offer are lost or destroyed, the Company may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to the Company and/or the Naspers JSE Transfer Secretary that the Documents of Title in respect of any of the Certificated Naspers N Ordinary Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to the Company. Accordingly, if the Documents of Title in respect of any of Certificated Naspers N Ordinary Shares desired to be tendered by a Certificated Naspers N Shareholder have been lost or destroyed, such Certificated Naspers N Shareholder should nevertheless return the Form of Acceptance and Transfer (*blue*), duly signed and completed, to the Naspers JSE Transfer Secretary,



together with a duly signed and completed indemnity form which is obtainable from the Naspers JSE Transfer Secretary.

If the Exchange Offer does not become unconditional in accordance with its terms and does not proceed, any Documents of Title surrendered and held by the Naspers JSE Transfer Secretary will be returned to the relevant Certificated Naspers N Shareholders by the Naspers JSE Transfer Secretary, at such Certificated Naspers N Shareholders' risk, within five business days of either the date upon which it is announced on SENS and ANS that the Exchange Offer will not be implemented or on receipt by the Naspers JSE Transfer Secretary of the surrendered Documents of Title from the relevant Certificated Naspers N Shareholder, whichever is the later.

An acceptance of the Exchange Offer may be made in respect of all or some of the Naspers N Ordinary Shares held by the Certificated Naspers N Shareholders as at the Record Date.

Further details on the procedures and notes for the acceptance of the Exchange Offer if you hold Certificated Naspers N Ordinary Shares are set out in this Prospectus and the attached Form of Acceptance and Transfer (*blue*).

**(B) If you hold Dematerialised Naspers N Ordinary Shares with or without 'own-name' registration:**

Dematerialised Naspers N Shareholders must **NOT** complete the attached Form of Acceptance and Transfer (*blue*). The surrender of Documents of Title to the Naspers N Ordinary Shares tendered under the Exchange Offer is only applicable to the Certificated Naspers N Shareholders that wish to participate in the Exchange Offer but have not Dematerialised their Certificated Naspers N Ordinary Shares for these purposes by 17:00 hours SAST on Tuesday, 10 August 2021.

If you are a Dematerialised Naspers N Shareholder, you may be contacted by your CSDP or Broker in the manner stipulated in the custody agreement governing your relationship with your CSDP or Broker in order to ascertain whether or not you wish to accept the Exchange Offer. If you wish to participate in the Exchange Offer, you must notify your CSDP or Broker of your acceptance of the Exchange Offer in the time and manner stipulated in the custody agreement governing your relationship with your CSDP or Broker, failing which you will not become entitled to receive any New Prosus Ordinary Shares N under the Exchange Offer and will retain your Naspers N Ordinary Share holdings in full.

If you are a Dematerialised Naspers N Shareholder and wish to accept the Exchange Offer, but have not been contacted by your CSDP or Broker, it would be advisable for you to contact and furnish your CSDP or Broker with instructions in relation to the Exchange Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in the custody agreement governing your relationship with your CSDP or Broker, and must be communicated by your CSDP or Broker to the Naspers JSE Transfer Secretary by no later than 12:00 hours CEST on the Exchange Offer Closing Date.

Dematerialised Naspers N Shareholders' JSE Brokerage Accounts or Euronext Amsterdam Brokerage Accounts, as the case may be, are expected to be credited/updated on the Settlement Date, expected to occur on Monday, 16 August 2021 or as soon as practicable thereafter, in relation to their acceptance under the Exchange Offer.

If an acceptance is made by a Dematerialised Naspers N Shareholder before 12:00 hours CEST on the Exchange Offer Closing Date, it will be treated as a conditional transfer of their relevant Naspers N Ordinary Shares that are held in Dematerialised Form (**Dematerialised Naspers N Ordinary Shares**) until the Exchange Offer becomes unconditional in accordance with its terms and such Dematerialised Naspers N Ordinary Shares are transferred to the Company in exchange for New Prosus Ordinary Shares N in accordance with the Exchange Ratio, subject (to the extent applicable) to any scale back

and fractional entitlement process, when the Exchange Offer is settled on the Settlement Date, currently expected to be on Monday, 16 August 2021 or as soon as practicable thereafter.

An acceptance of the Exchange Offer may be made in respect of all or some of the Naspers N Ordinary Shares held by the Dematerialised Naspers N Shareholders as at the Record Date.

For the avoidance of doubt, the process outlined above applies to Certificated Naspers N Shareholders who have become Dematerialised Naspers N Shareholders by Dematerialising their Certificated Naspers N Ordinary Shares in anticipation of participating in the Exchange Offer. Such Certificated Naspers N Shareholders who have become Dematerialised Naspers N Shareholders before 17:00 hours SAST on Tuesday, 10 August 2021 must **NOT** complete the attached Form of Acceptance and Transfer (*blue*) and must instruct their CSDP or Broker of their decision in relation to the Exchange Offer in the time and manner stipulated in the custody agreement governing their relationship with their CSDP or Broker.

**Any acceptance appearing to the Company or the Naspers JSE Transfer Secretary or its agents to have been received from any restricted Foreign Naspers N Shareholder (as defined below) may be rejected as an invalid acceptance to the Exchange Offer. See "*—Restricted Naspers N Shareholders*", for details regarding Restricted Naspers N Shareholders.**

**None of the Naspers JSE Transfer Secretary, the Euronext Listing and Paying Agent, the Cross-border Settlement Agent or the Company shall accept responsibility, and will not be held liable for any action of, or omission by, any Naspers N Shareholder, or CSDP, Broker or other nominee of any beneficial owner of Naspers N Ordinary Shares.**

Further information on how to accept the Exchange Offer can be obtained from:

- the Call Centre that can be contacted on 087 015 0343 during weekdays (excluding South African and Dutch public holidays) from 07:00 hours SAST/CEST to 18:00 hours SAST/CEST, from 09:00 hours SAST/CEST on Monday, 12 July 2021, to 17:00 hours SAST/CEST on Friday, 13 August 2021; and/or
- the Naspers JSE Transfer Secretary who can be contacted at +27 (0)11 029 0253 or +27 (0)86 140 0110 from Monday, 12 July 2021 to Monday, 16 August 2021 (excluding South African public holidays);
- the JSE Transfer Secretary, Computershare Investor Services Proprietary Limited, who can be contacted at +27 (0) 86 110 0933 from Monday, 12 July 2021, to Monday, 16 August 2021 (excluding South African public holidays); or
- the Euronext Listing and Paying Agent who can be contacted via e-mail ([iss.pas@ing.com](mailto:iss.pas@ing.com)) or by phone at +31 20 563 6685 or +31 20 563 6619 from Monday, 12 July 2021 to Monday, 16 August 2021 (excluding Dutch public holidays).

In tendering their Naspers N Ordinary Shares under the Exchange Offer, the Naspers N Shareholders must bear in mind the limit placed on the total number of Naspers N Ordinary Shares that the Company will acquire under the Exchange Offer (being no more than c. 45.33% of the total issued Naspers N Ordinary Shares as at the Record Date).

### ***Documents of Title***

All Shares, including the New Prosus Ordinary Shares N, are in registered form. The Company shall not issue share certificates or statements evidencing or purporting to evidence title to the New Prosus Ordinary Shares N, which shall at all times remain in Dematerialised Form.

In relation to New Prosus Ordinary Shares N trading on the JSE, New Prosus Ordinary Shares N will be delivered in the form of security entitlements representing the beneficial ownership of the New Prosus Ordinary Shares N. These New Prosus Ordinary Shares N will be held through PLC Nominees for, and on behalf of, JSE Investors. PLC Nominees is a regulated nominee in South Africa and is authorised to act as such by the South African Financial Sector Conduct Authority.

Certificated Naspers N Shareholders that wish to participate in the Exchange Offer must bear in mind that no New Prosus Ordinary Shares N will be issued in certificated form. In the event that a Certificated Naspers N Shareholder does not appoint a Euronext Amsterdam Brokerage Account provider or JSE Brokerage Account provider and notify them of their instructions in relation to the Exchange Offer, failing which, if their acceptance of the Exchange Offer is treated as valid in accordance with the Company's discretion, the New Prosus Ordinary Shares N to which such Certificated Naspers N Shareholders are entitled will be transferred to a nominee account and be held on behalf and for the benefit of such Naspers N Shareholder.

For assistance in opening an account with any JSE Brokerage Account to which your New Prosus Ordinary Shares N can be delivered and held on the JSE, Certificated Naspers N Shareholders should visit the website of JSE Limited ([www.jse.co.za](http://www.jse.co.za)) or Strate ([www.strate.co.za/aboutstrate/participants](http://www.strate.co.za/aboutstrate/participants)), which set out all the names and numbers of the CSDPs and members of the JSE who can assist with the opening of such accounts. You will need to complete a custody mandate and provide verification, in terms of the Financial Intelligence Centre Act, No. 38 of 2001, to your chosen CSDP or Broker, a process similar to opening a bank account in South Africa.

For assistance in opening a Euronext Amsterdam Brokerage Account to which your New Prosus Ordinary Shares N can be delivered and held on Euronext Amsterdam if you intend to make a Settlement Election, Certificated Naspers N Shareholders are advised to contact the Euronext Listing and Paying Agent, ING Bank N.V. via the following link <https://www.ing.com>.

### ***Validity of acceptances***

The Company reserves the right, subject to the terms of the Exchange Offer, to treat as valid in whole or in part, any acceptance which is not provided in accordance with the terms and conditions stipulated in this Exchange Offer Memorandum and, in respect of Certificated Naspers N Shareholders, the attached Form of Acceptance and Transfer (*blue*). In the event where a deficient acceptance of the Exchange Offer is made by a Naspers N Shareholder, no delivery of the New Prosus Ordinary Shares N will take place until after an acceptance that is entirely in order is provided by the relevant Naspers N Shareholder, save where the Company treats a deficient acceptance as valid and the New Prosus Ordinary Shares N to which the relevant Naspers N Shareholder is entitled will be delivered into a nominee account to be held on behalf and for the benefit of such Naspers N Shareholder.

Acceptances by the Naspers N Shareholders under the Exchange Offer shall be irrevocable and may not be withdrawn once validly executed by a Naspers N Shareholder.

### ***Dematerialisation or rematerialisation of and trading in Naspers N Ordinary Shares***

No Naspers N Ordinary Shares may be rematerialised or Dematerialised:

- from Wednesday, 11 August 2021, to Friday, 13 August 2021, both days inclusive; and
- in the case of Naspers N Shareholders that wish to participate in the Exchange Offer, from the date on which an acceptance has been validly made.

Additionally, please note that after acceptance of the Exchange Offer, Naspers N Shareholders may not trade any of the Naspers N Ordinary Shares in respect of which the Exchange Offer has been accepted.

Naspers N Shareholders may acquire additional Naspers N Ordinary Shares at any time during the Exchange Offer Period after accepting the Exchange Offer and such additional Naspers N Ordinary Shares will be capable of being traded on the JSE or the A2X, as applicable. Such Naspers N Shareholders should note that the number of Naspers N Ordinary Shares tendered by them in terms of their acceptance will not increase because of such acquisition after having made an acceptance. For the avoidance of doubt, the entitlement of Naspers N Shareholders to New Prosus Ordinary Shares N in terms of an acceptance made before acquiring additional Naspers N Ordinary Shares will remain unaffected unless such additional Naspers N Ordinary Shares are also tendered under the Exchange Offer before the Exchange Offer Closing Date.

The Certificated Naspers N Shareholders that wish to Dematerialise their Certificated Naspers N Ordinary Shares and transfer them into a JSE Brokerage Account in anticipation of participating in the Exchange Offer must bear in mind the cut-off time of 12:00 hours CEST/SAST on the Exchange Offer Closing Date in relation to the time it will take to do so. Such Certificated Naspers N Shareholders that become Dematerialised Naspers N Shareholders after Dematerialising their Certificated Naspers N Ordinary Shares before 17:00 hours SAST on Tuesday, 10 August 2021, must **NOT** complete the attached Form of Acceptance and Transfer (*blue*) and must instruct their CSDP or Broker of their decision in relation to the Exchange Offer in the time and manner stipulated in the custody agreement governing their relationship with their CSDP or Broker.

### ***Lost or destroyed Documents of Title in respect of Certificated Naspers N Ordinary Shares***

If Documents of Title have been lost or destroyed, Certificated Naspers N Shareholders should nevertheless return the Form of Acceptance and Transfer (*blue*) duly signed and completed. The Naspers JSE Transfer Secretary shall issue a suitable indemnity form to such Certificated Naspers N Shareholder, such indemnity form to be in a form and substance acceptable to the Company and/or the Naspers JSE Transfer Secretary and the Company and the Naspers JSE Transfer Secretary must be satisfied that the Documents of Title have been lost or destroyed.

Only upon receipt of such indemnity form duly completed and signed by such Certificated Naspers N Shareholder to be received by no later than 12:00 hours CEST on the Exchange Offer Closing Date, will the Company consider the action taken by such Certificated Naspers N Shareholder in terms of the Exchange Offer.

### **Settlement**

Where the Exchange Offer becomes unconditional and is settled, the Naspers N Shareholders that provided their acceptances under the Exchange Offer will be entitled to receive the New Prosus Ordinary Shares N in respect of the Naspers N Ordinary Shares tendered in accordance with the Exchange Ratio, subject to any scale back and fractional entitlement processes set out in this "*Settlement*" section of this Exchange Offer Memorandum.

On the Settlement Date:

- in respect of Certificated Naspers N Shareholders that completed the Form of Acceptance and Transfer (*blue*) and surrendered their relevant Documents of Title, the Documents of Title in respect of the Certificated Naspers N Ordinary Shares held by the Naspers JSE Transfer Secretary in trust will be transferred to the Company; or
- in respect of Dematerialised Naspers N Shareholders, the JSE Brokerage Accounts of the relevant Dematerialised Naspers N Shareholders will be debited with the relevant number of Naspers N Ordinary Shares tendered under the Exchange Offer,

and, in return, the JSE Brokerage Accounts or Euronext Amsterdam Brokerage Accounts, as the case may be, of the Certificated Naspers N Shareholders or Dematerialised Naspers N Shareholders, as applicable, that participated in the Exchange Offer will be credited with their New Prosus Ordinary Shares N and updated to

reflect the relevant number of their New Prosus Ordinary Shares N, subject to any fractional entitlement and scale back process, where applicable.

The New Prosus Ordinary Shares N of the Certificated Naspers N Shareholders that failed to appoint a Euronext Amsterdam Brokerage Account provider or JSE Brokerage Account provider, but their acceptance of the Exchange Offer was nevertheless treated as valid in accordance with the Company's discretion, will be transferred to a nominee and be held on behalf and for the benefit of such Naspers N Shareholder on the Settlement Date.

The listing of the New Prosus Ordinary Shares N on Euronext Amsterdam, the JSE and the A2X will become effective on the Settlement Date for the Exchange Offer, which is currently expected to occur on Monday, 16 August 2021, subject to any extension of the Exchange Offer Period in accordance with this Exchange Offer Memorandum.

Settlement of the Exchange Offer will be administered and effected by the Company or by the Euronext Listing and Paying Agent, the Naspers JSE Transfer Secretary and/or the Cross-border Settlement Agent, on behalf of the Company.

The Company's obligation to deliver the New Prosus Ordinary Shares N to the Naspers N Shareholders that have validly provided their acceptances under the Exchange Offer will be fully and finally discharged upon the Company issuing the New Prosus Ordinary Shares N to them on the Settlement Date. Any proceeds in respect of fractional entitlements to the New Prosus Ordinary Shares N will be transferred to them as set out in this Exchange Offer Memorandum.

The Naspers N Shareholders that do not wish to participate in the Exchange Offer do not need to take any action in relation to the Exchange Offer and will continue to hold their existing Naspers N Ordinary Shares where the Exchange Offer is implemented.

### ***The Settlement Election***

The New Prosus Ordinary Shares N will be delivered to the Naspers N Shareholders that provide their acceptances under the Exchange Offer on Monday, 16 August 2021 or as soon as practicable thereafter on the JSE through the Strate System.

The Non-resident Naspers N Shareholders are entitled to make the Settlement Election in terms of which, subject to the conditions set out in this Exchange Offer Memorandum and, in respect of Certificated Naspers N Shareholders, the Form of Acceptance and Transfer (*blue*), they elect to receive their New Prosus Ordinary Shares N on Euronext Amsterdam through Euroclear Nederland.

Non-resident Naspers N Shareholders that wish to make a Settlement Election must ensure that:

- they provide the settlement details of their Euronext Amsterdam Brokerage Account to the Euronext Listing and Paying Agent ([iss.pas@ing.com](mailto:iss.pas@ing.com)) as soon as possible ahead of the Record Date in order to ensure that the Settlement Election is valid and can be given effect to on the Settlement Date; and
- provide the necessary instructions to their CSDP, Broker or intermediary or other provider of their Euronext Amsterdam Brokerage Account regarding their intention to make a Settlement Election.

Without prejudice to the Company's right to treat as valid any acceptance, the Company reserves the right to treat as valid or invalid any Settlement Election. Where a Settlement Election is treated invalid but an Acceptance is treated as valid in accordance with the Company's discretion, the New Prosus Ordinary Shares N of the relevant Naspers N Shareholder will be delivered to their JSE Brokerage Account or Euronext Amsterdam Brokerage Account, as applicable, of the relevant Naspers N Shareholder or, in case of Certificated Naspers N Shareholders that failed to open a JSE Brokerage Account or Euronext Amsterdam Brokerage

Account, into a nominee to be held on behalf and for the benefit of such Naspers N Shareholder on the Settlement Date.

The New Prosus Ordinary Shares N are expected to list and commence trading on Euronext Amsterdam, the A2X and the JSE on the First Trading Date, currently expected to occur on the same date as the Settlement Date, and the trades executed on the First Trading Date are expected to settle two trading days after a trade is executed on Euronext Amsterdam and on three trading days after a trade is executed on the JSE and the A2X.

The trades in the New Prosus Ordinary Shares N on Euronext Amsterdam will be settled through the book-entry systems of Euroclear Nederland and settlement of such trades in New Prosus Ordinary Shares N will take place two trading days after a trade is executed through the book-entry systems of Euroclear Nederland.

Trades in the New Prosus Ordinary Shares N on the JSE and the A2X will be settled in the Strate System and settlement of trades in New Prosus Ordinary Shares N will take place three trading days after a trade is executed in the Strate System.

### ***Fractional Entitlements***

Only whole numbers of New Prosus Ordinary Shares N will be issued and, where fractional entitlements to New Prosus Ordinary Shares N arise, such fractions will be rounded down to the nearest whole number and not delivered to the Naspers N Shareholders. Any remaining fractional entitlements to Naspers N Ordinary Shares will be sold on behalf of and at the risk of the relevant Naspers N Shareholders.

The cash proceeds of such fractional entitlements sold on behalf and at the risk of such Naspers N Shareholders will be determined in accordance with the JSE Listings Requirements and paid to the relevant Naspers N Shareholder in its JSE Brokerage Account or to a nominee account to be held on behalf and for the benefit of the relevant Naspers N Shareholder in accordance with the JSE Listings Requirements.

If a Naspers N Shareholder holds its Naspers N Ordinary Shares with a CSDP or a Broker, then its CSDP or Broker is responsible for crediting the Naspers N Shareholder's account with such cash proceeds.

If a Certificated Naspers N Shareholder fails to appoint a CSDP or Broker or other nominee in order to receive its New Prosus Ordinary Shares N to which it is entitled in Dematerialised Form but their acceptance of the Exchange Offer is treated as valid in accordance with the Company's discretion, any cash entitlement to fractions that such a Certificated Naspers N Shareholder is entitled to pursuant to the Exchange Offer will be paid to a nominee account to be held on its behalf and for its benefit at the risk of such Certificated Naspers N Shareholder.

The Company will release an announcement on SENS and ANS containing the details on the settlement of the cash value of fractional entitlements sold on Thursday, 12 August 2021.

### ***Confirmation of sufficient securities to settle the Exchange Offer***

The number of New Prosus Ordinary Shares N to be issued to the Naspers N Shareholders that participate in the Exchange Offer is subject to the number of Naspers N Ordinary Shares tendered pursuant to acceptances under the Exchange Offer and the extent of any fractional entitlements.

A maximum number of c. 449 million New Prosus Ordinary Shares N will be issued to the Naspers N Shareholders that will participate in the Exchange Offer. This will increase the number of issued Prosus Ordinary Shares N to 2,062 million.

The Company confirms that it has sufficient authorised and unissued Naspers N Ordinary Shares to achieve Settlement fully and has the necessary authorisations in place to issue the New Prosus Ordinary Shares N pursuant to the Exchange Offer.

Naspers N Shareholders are referred to "*—Description of Share Capital*" section of this Prospectus for further details regarding the Company's share capital.

### ***Further terms of the Exchange Offer***

Settlement of the Exchange Offer, through the issue and delivery of the New Prosus Ordinary Shares N to the participating Naspers N Shareholders and the surrender and transfer of the relevant Naspers N Ordinary Shares on the Settlement Date, shall occur in full, in accordance with the terms and conditions of the Exchange Offer without regard to any lien, right of set-off, counterclaim or another similar right to which the Company may otherwise be, or claim to be, entitled against the participating Naspers N Shareholders.

Settlement of the Exchange Offer will be subject to the fulfilment or waiver of the Exchange Offer Conditions as set out in this Exchange Offer Memorandum.

The effect of the Exchange Offer will be that, with effect from the Settlement Date, the Company will acquire and own all the Naspers N Ordinary Shares tendered by the participating Naspers N Shareholders who will subscribe for and own the New Prosus Ordinary Shares N issued to them in accordance with the Exchange Ratio.

Following the implementation of the Exchange Offer on the Settlement Date:

1. the Company is expected to own no more than 49% of the total issued Naspers N Ordinary Shares; and
2. Naspers is expected to own c. 57.2% of the total issued Prosus Ordinary Shares N.

Certificated Naspers N Shareholders that wish to participate in the Exchange Offer are encouraged to provide their acceptances as soon as possible by no later than at 12:00 hours CEST/SAST on Friday, 13 August 2021, to ensure efficient administration of the acceptances by the Company and Settlement of the Exchange Offer excepted to be on Monday, 16 August 2021, or as soon as practicable thereafter. Dematerialised Naspers N Shareholders must ensure that they provide their CSDP or Broker with their relevant instructions for participating in the Exchange Offer by the cut-off time stipulated in the custody agreement governing their relationship with their CSDP or Broker.

The Company is under no obligation to acknowledge receipt of any Form of Acceptance and Transfer (*blue*) will be given by or on behalf of the Company unless specifically requested. All communications, notices, certificates, Documents of Title and remittances delivered or sent by, to or from Certificated Naspers N Shareholders or their appointed agents will be delivered or sent at their own risk.

### ***Purchases by the Company outside of the Exchange Offer***

During the Exchange Offer Period, which may be extended, the Company reserves the right to purchase or arrange to purchase Naspers N Ordinary Shares outside of the Exchange Offer, to the extent permissible under applicable laws and regulations, including Rule 14e-5 of the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Securities Exchange Act**). Any such purchases or arrangements to purchase made outside of the Exchange Offer will be made outside of the United States and disclosed to the market pursuant to applicable law and regulations, and as required by Rule 14e-5 of the U.S. Securities Exchange Act.

Under U.S. laws and regulations, including Rule 14e-5 of the U.S. Securities Exchange Act, the Company and its affiliates or brokers (acting as agents or on behalf of the Company or its affiliates, as applicable) may purchase or arrange to purchase Naspers N Ordinary Shares outside of the Exchange Offer, but no such purchases or arrangements to purchase will be made inside the United States by or on behalf of the Company or its affiliates. These purchases or arrangements to purchase may occur either in the open market at prevailing prices or in private transactions at negotiated prices, but in no event will any such purchases or arrangements to purchase be made for a price that is greater than the per share consideration in the Exchange Offer. The

Financial Advisers and/or their affiliates may engage in ordinary course trading activities in Naspers N Ordinary Shares, which may include purchases or arrangements to purchase such securities. To the extent information on any such purchases or arrangements to purchase made outside of the Exchange Offer either by the Company or its affiliates or the Financial Advisers or their affiliates is made public in South Africa, such information will be disclosed to the market by means reasonably calculated to inform U.S. shareholders of such information.

### ***The Exchange Offer Period***

The Exchange Offer is open for acceptance from 09:00 hours CEST on Monday, 12 July 2021 and will close at 12:00 hours CEST on Friday, 13 August 2021 (the **Exchange Offer Closing Date**).

Accordingly, the Exchange Offer will remain open for acceptance by those Naspers N Shareholders, subject to its certain terms and conditions, that are recorded on the Naspers securities register at any time until and up to the Exchange Offer Closing Date; provided that, should a Naspers N Shareholder provide an acceptance to the Company, it shall not be able to trade the Naspers N Ordinary Shares tendered pursuant to the acceptance before 12:00 hours CEST on the Exchange Offer Closing Date. Such Naspers N Shareholders may only continue to trade their Naspers N Ordinary Shares if the Exchange Offer is not proceeded with and their Naspers N Ordinary Shares are returned to them in accordance with the terms and conditions of this Exchange Offer Memorandum.

The Company may, in its absolute and sole discretion, extend the Exchange Offer Period by extending the date of the Exchange Offer Closing Date on or before Friday, 13 August 2021.

The Naspers N Shareholders will be notified of any such extension on SENS and ANS.

### ***Scale Back Process***

Each Naspers N Shareholder may tender up to 100% of their Naspers N Ordinary Share holding under the Exchange Offer.

In tendering their Naspers N Ordinary Shares under the Exchange Offer, the Naspers N Shareholders must bear in mind the limit placed on the total number of Naspers N Ordinary Shares that the Company will acquire under the Exchange Offer being 197,408,377 Naspers N Ordinary Shares (representing c. 45.33% of the total issued Naspers N Ordinary Shares as at the Record Date of the Exchange Offer), such that the Company will hold no more than c. 49% of the total issued Naspers N Ordinary Shares (in conjunction with the 3.67% Naspers N Ordinary Shares already held by the Company) on the implementation of the Exchange Offer (the **Maximum Acceptance Threshold**).

Naspers N Shareholders may therefore not be able to tender their desired number of Naspers N Ordinary Shares and receive their desired number of Prosus Ordinary Shares N where doing so would result in the Company acquiring, in aggregate, a number of Naspers N Ordinary Shares that will exceed the Maximum Acceptance Threshold.

Each Naspers N Shareholder is therefore guaranteed to tender a number of their Naspers N Ordinary Shares representing a maximum of 47.59% of their Naspers N Ordinary Share holding on the Record Date (the **Guaranteed Tender Portion**).

In the event that the number of Naspers N Ordinary Shares tendered by the Naspers N Shareholders in the Exchange Offer exceeds the Maximum Acceptance Threshold, the number of Naspers N Ordinary Shares that can be tendered by Naspers N Shareholders in excess of the Guaranteed Tender Portion may be scaled back in accordance with the following principles:

- all the Naspers N Shareholders who have elected to tender more than their Guaranteed Tender Portion will have their desired number of Naspers N Ordinary Shares that were tendered over and above the



Guaranteed Tender Portion reduced proportionately based on all amounts of Naspers N Ordinary Shares tendered in excess of the Guaranteed Tender Portion such that the total aggregate number of Naspers N Ordinary Shares to be acquired by the Company equals, and does not exceed, the Maximum Acceptance Threshold (the **Scale Back**);

- in relation to the tenders made over and above the Guaranteed Tender Portion, the Scale Back will be applied such that only whole numbers of Naspers N Ordinary Shares are acquired subject to the Maximum Acceptance Threshold.

Any violation of applicable law or regulation will disapply the above principles, as is the case in respect of the Exchange Offer generally.

The Company will inform the Naspers N Shareholders regarding any scale back process as soon as practicable on SENS and ANS after the Exchange Offer Closing Date.

### ***Termination of the Exchange Offer***

The Exchange Offer will terminate with immediate effect if any or all of the Exchange Offer Conditions have not been fulfilled or waived, as applicable, on or before the relevant fulfilment times and dates for fulfilment (including any extended fulfilment time and date).

The Board reserves the right, in its discretion, to decide not to proceed with the Capital Restructure, including the Exchange Offer and, as such, the Exchange Offer may or may not proceed.

### ***Representations and Warranties by accepting Naspers N Shareholders***

Once an acceptance is received by the Naspers JSE Transfer Secretary from a Naspers N Shareholder, each such Naspers N Shareholder, by whom, or on whose behalf, an acceptance is executed and lodged with the Naspers JSE Transfer Secretary, irrevocably undertakes, represents, warrants and agrees to and with the Company, the Naspers JSE Transfer Secretary and Euronext Listing and Paying Agent (so as to bind them or their representatives or successors) that:

1. they have good title to, and is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Naspers N Ordinary Shares comprised or deemed to be comprised in such acceptance and that such Naspers N Ordinary Shares are sold fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third-party rights and interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Prospectus, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made, on or after that date;
2. they have informed themselves as to whether they require any governmental or other consent or requirements or formalities (Applicable Foreign Law Requirements) to receive or access this Prospectus (including the Form of Acceptance and Transfer (blue) forming part of this Prospectus), complete, in the case of Certificated Naspers N Shareholders, the Form of Acceptance and Transfer (blue) and/or participate in the Exchange Offer, including having the New Prosus Ordinary Shares N issued, transferred or delivered to them or for their benefit in terms of the Exchange Offer, and have complied with and observed any Applicable Foreign Law Requirements;
3. in relation to Naspers N Shareholders within the "United States" or who are a "U.S. Person", as each such term is defined in Regulation S under the U.S. Securities Act, as amended (the U.S. Securities Act), they shall be deemed by their acceptance of delivery of the U.S. private placement memorandum which incorporates this Prospectus and the execution and lodgement of their acceptance of the Exchange Offer, to have represented and warranted to the Company that they are both a "qualified institutional buyer" (**QIB**) as defined in Rule 144A under the U.S. Securities Act and a "qualified

purchaser" (**QP**) as defined in Section 2(a)(51)(A) of, and Rule 2a51-1(g) under, the U.S. Investment Company Act of 1940, as amended (the **U.S. Investment Company Act** and such persons, **Eligible U.S. Shareholders**), and shall be deemed to have represented and warranted, agreed and acknowledged on their behalf and on behalf of any investor accounts for which they are tendering Naspers N Ordinary Shares and subscribing for the New Prosus Ordinary Shares N pursuant to the private placement to Eligible U.S. Shareholders being carried out concurrently with, and on the same terms and conditions as, the Exchange Offer (the U.S. Private Placement) as follows:

- (i) they: (a) are Eligible U.S. Shareholders; (b) are aware, and have been advised, that the New Prosus Ordinary Shares N have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that the offer and sale of New Prosus Ordinary Shares N to them pursuant to the U.S. Private Placement is being made in a transaction not involving any public offering within the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act; (c) will be acquiring such New Prosus Ordinary Shares N for their own account and benefit or for the account and benefit of an Eligible U.S. Shareholder who is both a QIB and QP; and (d) are aware that the New Prosus Ordinary Shares N may not be deposited into any unrestricted depository facility;
  - (ii) they understand and agree that: (a) the New Prosus Ordinary Shares N may not be offered, sold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, in or into 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 U.S. Securities Act to, or for the account or benefit of, persons who are Eligible U.S. Shareholders; and (b) resales of New Prosus Ordinary Shares N may only be made outside the United States in *bona fide* "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act, on Euronext Amsterdam, the JSE or the A2X, as applicable, to persons outside the United States not known by them to be, or to be acting for the account or benefit of, a U.S. Person by pre-arrangement or otherwise;
  - (iii) any offer, sale, pledge, delivery, distribution or other transfer made other than in compliance with the above stated restrictions shall not be recognised by the Company in respect of the New Prosus Ordinary Shares; and
  - (iv) they acknowledge that the Company, the JSE Transfer Secretary, the Euronext Listing and Paying Agent, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. If they are acquiring any New Prosus Ordinary Shares N for the account of one or more Eligible U.S. Shareholders, they represent that they have sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such account;
4. they are not Foreign Naspers N Shareholders (as defined below) who are located in a jurisdiction in which participation in the Exchange Offer including having the New Prosus Ordinary Shares N issued, transferred or delivered to them or for their benefit in terms of the Exchange Offer in their relevant jurisdiction, would be restricted, illegal or otherwise impermissible in terms of the relevant laws and regulations of that jurisdiction (and, without limitation of the generality of the foregoing, are not located or resident in any province or territory of Canada, or tendering Naspers N Ordinary Shares held in registered form or beneficially owned by any holder located or resident in any province or territory of Canada);
  5. in relation to the tendered Naspers N Ordinary Shares, the execution and lodgement of an acceptance constitutes, subject to the Exchange Offer becoming unconditional in all respects, the irrevocable and separate appointment of each of the Company and any director of, or any person authorised by, the

Company, or any one of the Naspers JSE Transfer Secretary and each of its directors, as its attorney and/or agent (the **Agent**), and an irrevocable instruction and authorisation to such Agent to:

- (i) complete and execute all or any form(s) of transfer, renunciation and/or other documents at the discretion of such Agent in relation to the Naspers N Ordinary Shares comprised in the acceptance in favour of the Company or such other person(s) as the Company or its agents may direct;
  - (ii) deliver any form(s) of transfer, renunciation and/or other document(s) at the discretion of such Agent together with any share certificate or other document(s) of title for registration relating to such Naspers N Ordinary Shares for registration; and
  - (iii) execute all such other documents and take any other action as may in the opinion of such Agent be necessary or expedient for the purposes of, or in connection with, the acceptance of the Exchange Offer and to vest in the Company or such other person(s) as the Company or its agents may direct the full legal and beneficial ownership of Naspers N Ordinary Shares comprised in the acceptance;
6. they shall do all such acts and things as shall, in the opinion of the Company, be necessary or expedient to vest in the Company or its nominee(s) (or such other person as the Company may decide) the Naspers N Ordinary Shares comprised in the acceptance;
  7. they shall be bound by the terms and conditions of the Exchange Offer, in all respects, as set out in this Exchange Offer Memorandum or any documentation published by the Company in connection with the Exchange Offer from time to time;
  8. the execution and lodgement of an acceptance will not create any client relationship between the Company, the Naspers JSE Transfer Secretary or the Euronext Listing and Paying Agent or any adviser of the Company; and
  9. the contents of this Exchange Offer Memorandum and Prospectus does not purport to constitute personal legal or tax advice or to comprehensively deal with the legal, regulatory or tax implications of the Exchange Offer or any other matter for each Naspers N Shareholder. Naspers N Shareholders are accordingly advised to consult their professional advisers about their personal legal, regulatory or tax positions regarding the Exchange Offer or any other matter and in particular the receipt of the New Prosus Ordinary Shares N in exchange for their Naspers N Ordinary Shares.

### ***Governing Law***

This Prospectus, including, for the avoidance of doubt, this Exchange Offer Memorandum and the attached Form of Acceptance and Transfer (*blue*), will be governed by, and construed in accordance with, the laws of the Netherlands, and will be subject to the non-exclusive jurisdiction of the courts of the Netherlands.

### ***Notices to Naspers N Shareholders***

The following is a summary describing: (i) the offering restrictions applicable to Naspers N Shareholders in certain jurisdictions; and (ii) the restrictions applicable to the Naspers N Shareholders who have a registered address outside of South Africa (each a **Foreign Naspers N Shareholder**).

### ***Notice to Naspers N Shareholders in Certain Jurisdictions***

No public offering is being made to any person in any jurisdiction.

*Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, purchase, resale, pledge or other transfer of the New Prosus Ordinary Shares N.*

This Prospectus may not be used for, or in connection with, and does not constitute, or form part of, an offer to the public by, or invitation to the public by or on behalf of, the Company or any representative of the Company to purchase any securities or an offer to sell or issue, or the solicitation to buy securities by any person in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. The distribution of this Prospectus may be restricted by law in certain jurisdictions. Neither this Prospectus nor any advertisement or any other related material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations.

The Exchange Offer described in this Prospectus is not being made, directly or indirectly, in any country or jurisdiction in which such an offer would be illegal or would otherwise violate any applicable law, ordinance or regulation, or which would otherwise require the Company to change the material terms or conditions of the Exchange Offer in any way, to submit to any additional filing to, or to perform any additional action in relation to, any governmental, regulatory or legal authority. Documents relating to the Exchange Offer must not be distributed in or sent to any such countries or jurisdictions.

The Exchange Offer is not open to any Naspers N Shareholder located or resident in any province or territory of Canada and no Naspers N Ordinary Shares held in registered or Dematerialized Form by any person located or resident in any province or territory of Canada may be tendered to the Exchange Offer. The delivery of a Form of Acceptance and Transfer or instructions to a CSDP or Broker to participate in the Exchange Offer shall be deemed to constitute a representation and warranty that the person delivering such Form of Acceptance and Transfer or instructions is not located or resident in any province or territory of Canada, and is not tendering shares held in registered or Dematerialised Form by any such person.

**(A) Notice to Persons in the United States and U.S. Persons**

This Prospectus does not constitute an offer of, or an invitation to subscribe for or purchase, any securities for sale in or into the United States or to, or for the account or benefit of, U.S. Persons or an offer to acquire or exchange securities in or into the United States or to, or for the account or benefit of, U.S. Persons. There will be no public offering of the New Prosus Ordinary Shares N in the United States. The New Prosus Ordinary Shares N have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold, directly or indirectly, in or into 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 U.S. Securities Act. The Company has not been, and will not be, registered under the U.S. Investment Company Act. The voluntary share exchange offer to exchange Naspers N Ordinary Shares or New Prosus Ordinary Shares N is being made in or into the United States or to, or the account or benefit of, U.S. Persons only pursuant to a private placement to Eligible U.S. Shareholders being carried out concurrently with, and on the same terms and conditions as, the Exchange Offer (the **U.S. Private Placement**). Any offer or sale of the New Prosus Ordinary Shares N, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. Persons will be made pursuant to the U.S. Private Placement only to, or for the account or benefit of, persons who are Eligible U.S. Shareholders. Resales of New Prosus Ordinary Shares N, acquired in the U.S. Private Placement, may only be made outside the United States in *bona fide* "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act, on Euronext Amsterdam, the JSE or the A2X to persons outside the United States not known to be, or to be acting for the account or benefit of, a U.S. Person by pre-arrangement or otherwise. The Company will require the provision of a letter by investors who are in the United States or who are U.S. Persons containing representations as to their status as an Eligible U.S. Shareholder and acknowledging the restrictions on resale of the New Prosus Ordinary Shares N acquired in the U.S. Private Placement. The Company will refuse to issue or transfer New Prosus Ordinary Shares N to investors that do not meet the foregoing requirements.

New Prosus Ordinary Shares N acquired in the Exchange Offer (including the U.S. Private Placement) may not be deposited into any unrestricted depositary facility.

The Exchange Offer (including the U.S. Private Placement) is not open for acceptance by holders of Naspers ADSs, each of which represents a beneficial interest in one fifth of a Naspers N Ordinary Share deposited with the Naspers Depository. The Naspers ADSs are issued pursuant to the deposit agreement among Naspers, the Naspers Depository and all owners and beneficial owners of Naspers ADRs issued thereunder evidencing the Naspers ADSs. Holders of Naspers ADSs may participate in the Exchange Offer (including the U.S. Private Placement) only if they are otherwise eligible and withdraw the underlying Naspers N Ordinary Shares from the deposit facility and complete and return the appropriate acceptance before the expiry of the Exchange Offer (including the U.S. Private Placement). Such persons are advised that any such withdrawal must be completed in accordance with the terms and conditions of the deposit agreement, and they may incur charges, fees, expenses or withholdings in connection with the surrender and cancellation of the Naspers ADRs and withdrawal of the underlying Naspers N Ordinary Shares. Furthermore, such holders should ensure a withdrawal request is timely made to permit them to receive the Naspers N Ordinary Shares and tender them into the Exchange Offer (including the U.S. Private Placement). To do so, they must contact the Naspers Depository and observe any procedures established by the Naspers Depository.

Until the expiration of 40 days from the distribution of Prosus Ordinary Shares N in exchange for existing Naspers N Ordinary Shares, an offer to sell or a sale of Prosus Ordinary Shares N within the United States by a dealer (whether or not participating in the Exchange Offer) may violate the registration requirements of the U.S. Securities Act.

**(B) Notice to Persons in South Africa**

The Exchange Offer described in this Prospectus is being made to all the Naspers N Shareholders on a *pro rata* basis subject to its terms and conditions, but may not be accepted by, any person whose participation in the Exchange Offer would be restricted, prohibited, illegal or otherwise impermissible for any reason, and/or whose participation in the Exchange Offer would render the offer to such Naspers N Shareholder in terms of the Exchange Offer prohibited, illegal or otherwise impermissible for for any reason. The information contained in this Prospectus does not constitute or form part of any offer to the public for the sale of, or subscription for, or an invitation, advertisement or the solicitation of any offer to purchase or subscribe for, "*securities*" as described in the South African Companies Act. Accordingly, this Prospectus does not, nor does it intend to, constitute a "*registered prospectus*" or an "*advertisement*", as contemplated by the South African Companies Act; and no prospectus has been filed with the South African Companies and Intellectual Property Commission (the **CIPC**) in respect of the Transaction. As a result, this Prospectus does not comply with the substance and form requirements for a prospectus as set out in the South African Companies Act, and has not been approved by, and/or registered with, the CIPC. This Prospectus has been filed with FinSurv and approved by JSE Limited. FinSurv has also approved the inward listing of the New Prosus Ordinary Shares N, as a secondary listing, on the Main Board of the JSE and FinSurv has classified the inward listed Prosus Ordinary Shares N (including the New Prosus Ordinary Shares N) as "*domestic*" for South African exchange control purposes.

**(C) Notice to Persons in the UK**

No securities have been offered or will be offered pursuant to the Exchange Offer to the public in the United Kingdom, except that securities may be offered to the public in the United Kingdom at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or

- c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000,

provided that no such offer of securities shall require the Company to publish a prospectus pursuant to Section 85 of the Financial Services and Markets Act 2000 or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "*offer to the public*" in relation to securities in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and securities to be offered so as to enable an investor to decide to purchase or subscribe for securities, and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

**(D) Notice to Persons in the EEA**

In relation to each Relevant State, no securities have been offered or will be offered pursuant to the Exchange Offer to the public in that Relevant State, except that the securities may be offered to the public in that Relevant State at any time:

- a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation); or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the securities shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase or subscribe for any securities.

**(E) Notice to Persons in Canada**

Nor this Prospectus or the Exchange Offer does constitute, or form part of, any offer to purchase any securities held in registered form or beneficially owned by any person located or resident in any province or territory of Canada and no Naspers N Ordinary Shares held in registered or Dematerialised Form by any person located or resident in any province or territory of Canada may be tendered to the Exchange Offer. No action has been taken to comply with the "take-over bid" requirements of Canadian securities laws, or exemptions therefrom, that would be required in order to permit such an offer to be made. Registered and beneficial owners of Naspers N Ordinary Shares who are located or resident in any province or territory of Canada may not participate in the Exchange Offer, and no New Prosus Ordinary Shares N are being offered or sold to any person located or resident in Canada pursuant to the Exchange Offer or otherwise.

The delivery of a Form of Acceptance and Transfer or instructions to a CSDP or Broker to participate in the Exchange Offer shall be deemed to constitute a representation and warranty that the person delivering such Form of Acceptance and Transfer or instructions is not located or resident in any province or territory of Canada, and is not tendering shares held in registered or Dematerialised Form by any such person.

**(F) Notice to Persons in Switzerland**

The New Prosus Ordinary Shares N may not be publicly offered, directly or indirectly, in or into Switzerland within the meaning of the FinSA, except:

- (i) to any investor that qualifies as a professional client within the meaning of the FinSA;
- (ii) to fewer than 500 investors (other than professional clients within the meaning of the FinSA);  
or
- (iii) in any other circumstances falling within article 36 of the FinSA,

provided, in each case, that no such offer of the New Prosus Ordinary Shares N referred to in (i) through (iii) above shall require the publication of a prospectus pursuant to the FinSA.

The New Prosus Ordinary Shares N will not be listed or admitted to trading on any trading venue in Switzerland. Neither this document nor any other offering or marketing material relating to the New Prosus Ordinary Shares N or the Exchange Offer constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to New Prosus Ordinary Shares N or the Exchange Offer may be distributed or otherwise made available in Switzerland in a manner which would require the publication of a prospectus pursuant to the FinSA in Switzerland. Neither this document nor any other offering or marketing material relating to the New Prosus Ordinary Shares N or the Exchange Offer have been or will be filed with or approved by any Swiss regulatory authority.

**(G) Notice to Persons in Singapore**

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the New Prosus Ordinary Shares N will not be offered or be made the subject of an invitation for subscription or purchase, and this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Prosus Ordinary Shares N, will not be circulated or distributed, whether directly or indirectly, to any person in Singapore other than:

- i. to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA;
- ii. to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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 New Prosus Ordinary Shares N are subscribed or purchased under section 275 of the SFA 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,

securities of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Prosus Ordinary Shares N pursuant to an offer made under section 275 of the SFA except:

6. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in section 275(1A) or Section 276(4)(i)(B) of the SFA;
7. where no consideration is or will be given for the transfer;
8. where the transfer is by operation of law;
9. as specified in section 276(7) of the SFA; or
10. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

**(H) Notice to Persons in Hong Kong**

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. This document has not been authorised by the Securities and Futures Commission in Hong Kong. Accordingly, no person shall issue or possess for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, offer or document relating to the New Prosus Ordinary Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Prosus Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

**(I) Notice to Persons in the United Arab Emirates**

By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that the offering of New Prosus Ordinary Shares N has not been approved or licensed by the UAE Central Bank, the UAE Securities and Commodities Authority, or any other relevant licensing authorities in the UAE, and does not constitute a public offer of securities in the UAE in accordance with the commercial companies law (UAE Federal Law No. 2 of 2015 (as amended)) or otherwise.

In addition, Prosus represents and agrees that the New Prosus Ordinary Shares N have not been and are not being, publicly offered, sold, promoted or advertised in the UAE other than in compliance with the laws of the UAE governing the issue, offering and sale of securities.

If you do not understand the contents of this Prospectus or are unsure whether the New Prosus Ordinary Shares N to which this Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

**(J) Notice to Persons in Bermuda**

To the extent that any New Prosus Ordinary Shares N are offered or sold in or from Bermuda, such offer or sale may only be made in compliance with the provisions of the Companies Act 1981 of Bermuda, as amended, and the Investment Business Act 2003 of Bermuda, as amended, which regulate the sale of securities in Bermuda.



## **(K) Notice to Persons in Japan**

Solicitation for subscription (as defined under Paragraph 2, Article 4 of the Financial Instruments and Exchange Act (the FIEA)) to New Prosus Ordinary Shares N constitutes a solicitation to small number offerees (as defined under Paragraph 4, Article 23-14 of the FIEA) and therefore no securities registration statements pursuant to Paragraph 1, Article 4 of the FIEA has been filed in relation to the solicitation for subscription to New Prosus Ordinary Shares N.

### ***Restricted Naspers N Shareholders***

The following summary describes the restrictions applicable to Foreign Naspers N Shareholders in terms of the Exchange Offer or persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this Prospectus to a jurisdiction outside South Africa, or that hold Naspers N Ordinary Shares for the account or benefit of any such Foreign Naspers N Shareholder and will therefore hold Naspers N Ordinary Shares or New Prosus Ordinary Shares N in a similar manner.

Participation in the Exchange Offer may be affected by the laws of such Foreign Naspers N Shareholders' relevant jurisdiction. Foreign Naspers N Shareholders should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other laws, requirements or formalities to receive or access this Prospectus (including the Form of Acceptance and Transfer (*blue*) forming part of this Prospectus), complete, in the case of Certificated Naspers N Shareholders, the Form of Acceptance and Transfer (*blue*) and/or participate in the Exchange Offer, including having the New Prosus Ordinary Shares N issued, transferred or delivered to them or for their benefit in terms of the Exchange Offer.

It is the responsibility of any Foreign Naspers N Shareholder (including, without limitation, nominees, agents and trustees for such persons) wishing to receive this Prospectus (including the Form of Acceptance and Transfer (*blue*)), and/or participate in the Exchange Offer, to satisfy themselves as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requirements or formalities and paying any issue, transfer or other taxes due in such territories. Naspers N Shareholders that wish to participate in the Exchange Offer are also referred to the "*Representations and Warranties by accepting Naspers N Shareholders*" section of this Exchange Offer Memorandum.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving this Prospectus (including the Form of Acceptance and Transfer (*blue*)) should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any jurisdiction where to do so would or might contravene applicable law or regulation including local securities laws or regulations. Any person who does distribute this Prospectus (including the Form of Acceptance and Transfer (*blue*)) into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph. Notices for Foreign Naspers N Shareholders located in, or resident of, certain jurisdictions are set out under "*Notice to Naspers N Shareholders in Certain Jurisdictions*" above.

The Company reserves the right, but shall not be obliged, to treat as invalid any person's participation in the Exchange Offer (including the making of a Settlement Election) which appears to the Company or its agents, if effected, will involve a breach of the securities laws or regulations of any jurisdiction, or if the Company believes (in its discretion) or its agents believe that the same may violate applicable legal or regulatory requirements, or if the Company believes (in its discretion) that it is prohibited or unduly onerous or impractical to issue, distribute or transfer the New Prosus Ordinary Shares N to, or for the benefit of, such Foreign Naspers N Shareholder in terms of the Exchange Offer.

### ***Taxation***

Naspers N Shareholders are referred to "*Taxation*" section of this Prospectus which contains a summary of certain taxation consequences related to the Exchange Offer, based on existing and effective legislation and practice as at the date of this Prospectus.

## ***Exchange Control***

Please refer to the "*Important Information*" section of this Prospectus which contains certain information concerning exchange control based on existing and effective legislation as at the date of this Prospectus.

## ***Form of Acceptance and Transfer***

The Form of Acceptance and Transfer (*blue*) to be completed only by the Certificated Naspers N Shareholders is attached to and forms part of this Prospectus.

Forms of Acceptance and Transfer (*blue*) and the relevant Documents of Title sent by registered or other form of post are sent at the risk of the Certificated Naspers N Shareholder concerned. Accordingly, Naspers N Shareholders should take note of postal delivery times to ensure that the Forms of Acceptance and Transfer (*blue*) and the relevant Documents of Title are received by the Naspers JSE Transfer Secretary timeously.

Without prejudice to the Board's discretion to treat valid or invalid a Form of Acceptance and Transfer (*blue*) and the relevant Documents of Title, no late postal deliveries of Forms of Acceptance and Transfer (*blue*) will be accepted.

## **Summary of Frequently Asked Questions**

We set out below a summary of responses to frequently asked questions which may assist you regarding participation in the Exchange Offer:

### **1. Who qualifies to participate in the Exchange Offer?**

Subject to certain terms and conditions, all Naspers N Shareholders are entitled to participate in the Exchange Offer, provided that the Company will not acquire a number of Naspers N Ordinary Shares that will result in the Company holding Naspers N Ordinary Shares representing, in aggregate, more than c. 45.33% of the total issued Naspers N Ordinary Shares, which, in conjunction with the 3.67% Naspers N Ordinary Shares already held by the Company, result in Prosus holding more than 49% of the issued Naspers N Ordinary Shares on the Settlement Date.

### **2. Can Certificated Naspers N Shareholders participate in the Exchange Offer?**

Certificated Naspers N Shareholders, subject to the terms, conditions and restrictions set out under "Important Information—Notice to Prospective Investors", may participate in the Exchange Offer but must bear in mind that no New Prosus Ordinary Shares N will be issued in certificated form.

In the event that a Certificated Naspers N Shareholder does not appoint a Euronext Amsterdam Brokerage Account agent or JSE Brokerage Account agent executing its instructions to receive its New Prosus Ordinary Shares N, but their acceptance of the Exchange Offer is treated as valid in accordance with the Company's discretion, the New Prosus Ordinary Shares N to which the Certificated Naspers N Shareholder is entitled will be transferred to a nominee and be held on behalf and for the benefit of such Naspers N Shareholder.

### **3. How do Naspers N Shareholders participate in the Exchange Offer?**

The Naspers N Shareholders are required to follow the instructions contained in this Prospectus (including in the Form of Acceptance and Transfer (*blue*)) on how to make their acceptance under the Exchange Offer.

The Exchange Offer is open from 09:00 hours CEST on Monday, 12 July 2021, and is expected to close at 12:00 hours CEST on Friday, 13 August 2021.

**4. What are the choices available to the Naspers N Shareholders?**

Participation in the Exchange Offer is voluntary. Should a Naspers N Shareholder not wish to participate in the Exchange Offer, such Naspers N Shareholder need not take any action.

A Naspers N Shareholder can take one of the following two actions:

- a) **Accept** the Exchange Offer and surrender their desired number Naspers N Ordinary Shares in exchange for their subscription of New Prosus Ordinary Shares N in accordance with the Exchange Ratio subject to any potential scale back process as described under "*Scale Back Process*";

**OR**

- b) **Ignore** the Exchange Offer and continue to hold their Naspers N Ordinary Shares. Naspers N Shareholders are not required to take any action in order to not participate in the Exchange Offer.

**5. When will the Naspers N Shareholders receive their New Prosus Ordinary Shares N if they provide their acceptances under the Exchange Offer?**

The New Prosus Ordinary Shares N are expected to be delivered to the Naspers N Shareholders that provide their acceptances under the Exchange Offer on Monday, 16 August 2021 or as soon as practicable thereafter, on the JSE through the Strate System. The Non-resident Naspers N Shareholders may make a Settlement Election to receive their New Prosus Ordinary Shares N on Euronext Amsterdam. The Company reserves the right to treat as valid or invalid any Settlement Election.

**6. Will I be able to trade Naspers N Ordinary Shares after accepting the Exchange Offer but before receiving the New Prosus Ordinary Shares N?**

Naspers N Shareholders may acquire additional Naspers N Ordinary Shares at any time during the Exchange Offer Period after accepting the Exchange Offer and such additional Naspers N Ordinary Shares will be capable of being traded on the JSE or the A2X, as applicable. It is only the Naspers N Ordinary Shares tendered pursuant to an acceptance of the Exchange Offer that are not capable of trading from the date on which such an acceptance has been made by the relevant Naspers N Shareholder.

## DIVIDENDS AND DIVIDEND POLICY

### Dividend History

Since its listing, the Company has only paid one dividend of 11 Euro cents per Prosus Ordinary Share N and 0.602 Euro cents per Prosus Ordinary Share A in November 2020. The total dividend paid amounted to US\$215 million recognised in the financial results for the financial year ended 31 March 2021 (FY 2020: nil).

### Dividend Policy

The Company does not have a defined dividend policy and, as such, there are no restrictions on, or a target range for, the payment of dividends.

The Company may declare and pay dividends in the future. The Board will generally consider dividend declarations annually during the month of June when it finalises the annual accounts of the Company. The ability and intention of the Company to declare and pay dividends in the future: (i) will mainly depend on its financial position, results of operations, capital requirements, investment prospects, the existence of distributable reserves and available liquidity and such other factors as the Board may deem relevant; and (ii) are subject to numerous assumptions, risks and uncertainties, many of which are beyond the Company's control. See "*Important Information—Information Regarding Forward-Looking Statements*" and "*Risk Factors*".

Since the Company conducts its operations through its subsidiaries, associated companies and joint ventures, the amount of its distributable profits depends significantly on its subsidiaries, associated companies and joint ventures generating profits and distributing them to the Company. See "*Risk Factors—Risks relating to the New Prosus Ordinary Shares N—The payment of any future dividends will depend on the availability of sufficient distributable profits*".

The tax legislation of an investor's jurisdiction and of the Netherlands, the Company's country of incorporation, may have an impact on the income received from the Prosus Ordinary Shares N. See "*Taxation*".

### *The Cross-Holding Arrangement*

The implementation of the Transaction will create a cross-holding structure where Naspers is expected to hold c. 57.2% of the issued Prosus Ordinary Shares N and Prosus will hold a c. 49.5% economic interest in Naspers through its holding of Naspers N Ordinary Shares.

After implementation of the Transaction, however, and because of the cross-holding structure, Prosus's free-float shareholders' effective economic interest in the underlying Prosus portfolio (the **Prosus Free-Float's Effective Economic Interest**) is expected to be c. 59.7% (larger than the c. 42.8% Prosus free-float direct holding of Prosus Ordinary Shares N). The Naspers free-float shareholders' effective economic interest in the underlying Prosus portfolio (the **Naspers Free-Float's Effective Economic Interest**) is expected to be c. 40.3%.

To ensure efficient and effective ongoing interaction between Prosus and Naspers, distributions will be made on a "terminal economic value" basis. This will provide Shareholders with certainty that the full extent of the Prosus Free-Float's Effective Economic Interest in distributions will be paid directly and efficiently at the Prosus level. The term "**terminal economic value**", refers to a terminal (i.e. effective) economic value distribution that requires that both Naspers and Prosus free-float shareholders receive distributions based on their ultimate underlying interests in the group as if distribution had been made continuously a number of times through the cross-holding.

A terminal (i.e. effective) economic value distribution requires that both Naspers and Prosus free-float shareholders receive their ultimate underlying interests. This means that Naspers will need to distribute automatically any distribution it receives from Prosus under the Cross-Holding Arrangement to its free-float

shareholders and Prosus will need to waive in advance any entitlement to the onward distribution declared by Naspers – both of which are embodied in the written cross-holding agreement dated 27 May 2021 between Prosus and Naspers to regulate certain matters arising in relation to the cross-holding structure to give effect to the Cross-Holding Arrangement (the **Cross-Holding Agreement**).

To achieve the objectives described in the paragraph above, Prosus and Naspers propose to put in place the following arrangement as part of the Transaction (the **Cross-Holding Arrangement**):

- Naspers and Prosus have, on 27 May 2021, entered into the Cross-Holding Agreement, the implementation of which is subject to certain conditions, including the Exchange Offer becoming unconditional in accordance with its terms;
- the Cross-Holding Agreement includes the following key principles in respect of all distributions declared by Prosus on the Prosus Ordinary Shares N under the Cross-Holding Arrangement:
  - the amount declared per Prosus Ordinary Shares N will be such that the Prosus free-float shareholders receive an amount (or an *in specie* distribution) equal to the Prosus Free-Float's Effective Economic Interest in the distributions, being the terminal economics for the Prosus free-float shareholders in respect thereof;
  - similarly, Naspers will receive an amount (or an *in specie* distribution) equal to the Naspers Free-Float's Effective Economic Interest in the distributions, being the terminal economics for the Naspers free-float shareholders in respect thereof. As this represents a reduction in the sum otherwise payable on a per-share basis, to achieve this the Articles of Association will be amended by the Prosus Articles Amendment;
  - in turn, on receipt of the above-mentioned terminal economics distribution, Naspers will declare the full sum it receives as a distribution (less any applicable taxes and costs incurred by Naspers) to the Naspers N Shareholders and the holders of Naspers A Ordinary Shares in accordance with their rights as set out in the memorandum of incorporation of Naspers (the **Naspers Memorandum of Incorporation**); and
  - to ensure that, as with the distribution of the terminal economics to the Prosus free-float, the entire sum so declared by Naspers is received by the Naspers free-float, Prosus antecedently and irrevocably waives all its rights to receive any distribution in respect of the Naspers N Ordinary Shares held by Prosus after the implementation of the Transaction and from time to time, which is declared by Naspers on the Naspers N Ordinary Shares in respect of a terminal economics distribution,

and thereby eliminate the need for roundtripping of cash or assets created in the cross-holding structure.

The Prosus Articles Amendment, once effective, will therefore give Prosus free-float shareholders direct rights under the Articles of Association to receive the Prosus Free-Float's Effective Economic Interest on distributions declared by Prosus. The Prosus Free-Float's Effective Economic Interest will be paid directly to Prosus free-float shareholders by Prosus without any reliance on roundtripping of cash or assets.

The payment of the terminal economics distribution amount ensures that the Prosus Free-Float's Effective Economic Interest, which is the terminal economics for the Prosus free-float shareholders, is direct and given effect to in respect of distributions declared on the Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N (**Ordinary Shares**). Mathematically, the Prosus Free-Float's Effective Economic Interest will be calculated by the following equation:

$$z = \frac{c}{(1-(a \times b))}$$

where:

z = Prosus Free-Float's Effective Economic Interest in distributions declared by Prosus on Ordinary Shares

a = the % aggregate distribution rights of the Prosus Ordinary Shares N and newly issued Prosus Ordinary Shares B held by Naspers

b = the % aggregate distribution rights of the Naspers N Ordinary Shares held by Prosus

c = the % aggregate distribution rights of the Prosus Ordinary Shares N held by Prosus free-float shareholders,

with all of a, b and c being determined in accordance with the underlying rights in the Articles of Association or the Naspers Memorandum of Incorporation, as applicable, i.e. prior to the adjustments made to give effect to the Cross-Holding Arrangement.

The Cross-Holding Agreement also includes the following restrictions, subject to customary terms and conditions:

- for a period of 12 months after the implementation of the Transaction, Naspers shall not sell, transfer or otherwise dispose of the Prosus Ordinary Shares N it will hold after the implementation of the Transaction; and
- Prosus shall not sell, transfer or otherwise dispose of the Naspers N Ordinary Shares it will hold after the implementation of the Transaction.

#### **Manner and Time of Dividend Payments**

Payment of any dividend on Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N (other than JSE Investors and South African holders of Prosus Ordinary Shares A (**South African Prosus A Shareholders**)) will be made in Euro. JSE Investors and South African Prosus A Shareholders will receive any cash dividend in South African Rand. The Euro/South African Rand conversion rate for JSE Investors and South African Prosus A Shareholders will be communicated to these shareholders before dividends are paid.

Any dividends that are paid to holders of Prosus Ordinary Shares N through Euroclear Nederland or the Strate System will be automatically credited to the relevant shareholders' accounts, without the need for the shareholders to present documentation proving their ownership of the Prosus Ordinary Shares N. Payment of dividends on the Prosus Ordinary Shares N not held through Euroclear Nederland or the Strate System, the Prosus Ordinary Shares B and the Prosus Ordinary Shares A will be made directly to the relevant shareholder using the information contained in the Company's shareholders' register. Payments of dividends are announced in a notice by the Company and will be made payable pursuant to a resolution of the Board within four weeks after adoption, unless the Board sets another date for payment.

#### **Profit Ranking of the Prosus Ordinary Shares A, Prosus Ordinary Shares B and the Prosus Ordinary Shares N**

Each Prosus Ordinary Share A, Prosus Ordinary Shares B and each Prosus Ordinary Share N (explicitly including New Prosus Ordinary Shares N) issued and outstanding on the Capital Restructure Date will rank equally with, and will be eligible for any dividends that may be declared on, the Prosus Ordinary Shares A, Prosus Ordinary Shares B and the Prosus Ordinary Shares N, respectively, subject to, however, the Cross-Holding Arrangement. See "*The Cross-Holding Arrangement*".

#### **Uncollected Dividends**

A shareholder's claim to payments of dividends lapses five years after the day on which the claim became payable. Any dividends that are not collected within this period revert to the Company.

## **Taxation**

Dividend payments on Prosus Ordinary Shares N are generally subject to withholding tax in the Netherlands and dividend payments on Prosus Ordinary Shares N listed on the JSE are, in addition to the Dutch withholding tax, generally subject to withholding tax in South Africa. See "*Taxation—Taxation in the Netherlands*" and "*Taxation—Taxation in South Africa*".

## BUSINESS

### Overview

The Group is a global consumer internet group operating across a variety of platforms and geographies, and is also one of the largest technology investors in the world. The Group's businesses and investments serve more than 2 billion users in well over 100 countries and markets. Its consumer internet services span the core focus segments of Classifieds, Food Delivery and Payments and Fintech, plus other online businesses including Etail and Other Ecommerce. In addition, with effect from 1 April 2021, the Group will report on a new core segment, Edtech, which covers online education. The Group aims to build leading companies that create value by empowering people and enriching communities. The Group has grown by investing in, acquiring and building leading companies. The Group typically focuses on large consumer trends where it tries to identify changes early, invest in and adapt proven business models for high-growth markets, and leverage its skills, local knowledge and position to build businesses that have scale and benefit from local network effects. The Group believes that its platforms offer customers fast, intuitive and secure environments in which to communicate and conduct transactions. The Group focuses on markets and industries that the Group believes 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. The Group's businesses and investments primarily operate in India, Russia, Central and Eastern Europe, North America, Latin America, China, Southeast Asia, Africa and the Middle East. The Group has developed strong brands in these markets, and believes that those global and local brands are an important way for the Group's businesses to differentiate themselves from their competitors, thereby driving organic traffic through consumer word of mouth.

The Group's businesses and investments are organised around the following segments: Ecommerce (which comprises the Group's interests in Classifieds, Food Delivery, Payments and Fintech, Etail and Other Ecommerce (including Ventures, which includes the Group's Edtech portfolio), Social and Internet Platforms (which comprises the Group's interests in Tencent and Mail.ru Group) and Corporate (relating to its Group-level Corporate services and treasury function). Following the merger of MakeMyTrip Limited (**MakeMyTrip**) with Trip.com, the Group does not exercise significant influence over the merged Trip.com and accordingly did not report on it in the Group's segment report. The travel segment no longer exists and is not reported after FY 2020. As of 31 March 2021, the Group owned 5.10% of Trip.com's ordinary shares.

In Classifieds, through the OLX Group, the Group has more than 300 million monthly active users (**MAUs**) as of 31 March 2021. OLX Group's biggest markets include Russia (Avito AB (**Avito**)), Europe, Latin America and India. In FY 2021, the Group estimates that its Classifieds segment's revenue growth was ahead of the industry average (based on revenue growth in local currency excluding any mergers or acquisitions).

In Food Delivery, the Group's key brands are iFood, Delivery Hero and Swiggy. iFood is a leading food delivery business in Brazil with approximately 200,000 own delivery partners, over 280,000 restaurant partners and which had more than 550 million orders during the year ended 31 March 2021. Delivery Hero is present in 50 countries and reported over 1.3 billion orders for the year ended 31 December 2020. Swiggy is active in India in approximately 500 cities and has more than 155,000 enabled restaurant partners. Please see below under "*Developments since 31 March 2021*" for an overview of more recent investments.

In the Payments and Fintech, PayU is the Group's 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 400 payment options and, during FY 2021, processed more than 1.6 billion transactions, totalling US\$55 billion in total payment value supported by a 25% increase in number of transactions. About 50% of transactions are consummated in India and the rest in the global payment operations business is focused mainly on Latin America, Eastern Europe and Africa. From the Indian payments business, where PayU processes transactions for merchants, the Group believes that it is in a good position to provide credit scoring, which would allow the Group to expand into credit.

Prosus's Ventures is where the Group invests in technology that it believes could disrupt existing industries. The Group usually invests early and then builds out a position. This is the area of the Group responsible for



the next wave of growth. The Food Delivery and newly formed Edtech segments were born out of Ventures. Currently, the largest area of investment in the Group's Ventures portfolio is Edtech. Edtech will become another of the Group's core segments from FY 2022. Since 2016, the Group has invested over US\$3 billion across nine high growth companies: Brainly Inc. (**Brainly**), Codecademy, Udemy, BYJU'S, Eruditus, SoloLearn and, most recently, Skillsoft, Stack Overflow and GoodHabitZ. On 25 June 2021, Prosus's Edtech segment completed an additional purchase of shares in Brainly, via secondary acquisitions, which increased Prosus's stake from 35.99% to 37.08% (fully diluted) and 40.06% to 41.28% of Brainly's outstanding share capital.

The Group's Etail portfolio consists of eMAG, the largest online retailer and market leader in Romania, with operations in Hungary and Bulgaria. eMAG's GMV grew 52% year on year in FY 2021.

### **Developments since 31 March 2021**

In recent years, the Group has been progressively growing its portfolio of companies focused on education as part of Prosus's Ventures (as described above). From 1 April 2021, these companies will be split out of Prosus's Ventures and will be reported separately as a new formal segment, called Edtech.

In April 2021, the Group sold 2% of Tencent's share capital. The sale reduced the Group's stake in Tencent to 28.86% and resulted in US\$14.6 billion in proceeds. The Group intends to use the proceeds to increase its financial flexibility to invest in growth, as well as for general corporate purposes.

The Group completed bilateral trades that resulted in an additional investment in Delivery Hero. The Group acquired an additional investment in March 2021, which increased its shareholding by approximately 8% to approximately 24.99%. As at 31 March 2021, while the legal ownership for this additional investment had transferred, the Group was only entitled to receive returns associated with 4% of this interest. In May 2021, the bilateral trades for the remaining 4% was completed, resulting in the effective interest in Delivery Hero increasing to 24.99%.

In November 2020, the Company undertook a share repurchase programme to acquire up to US\$5.0 billion of the Company's Shares and Naspers shares which was completed on 21 June 2021. Pursuant to this programme, US\$1.37 billion of Prosus Ordinary Shares N and US\$3.63 billion Naspers N Ordinary Shares were acquired. In addition, in connection with the Exchange Offer, the Company has announced that the Board may authorise the Company to repurchase up to US\$5 billion of Prosus Ordinary Shares N post implementation of the Exchange Offer.

In May 2021, the Company announced its intention to implement the Transaction.

### **Principal Investments**

Since 31 March 2021 and as at the date of this Prospectus, other than as set out below, the Company does not have any principal investment that is in progress and its Board has not made firm commitments for any principal future investments. See note 43 of the Annual Financial Statements for all events subsequent to 31 March 2021.

In October 2020, the Company's subsidiary, MIH Edtech Investments B.V. (**MIH Edtech Investments**), agreed to subscribe for US\$100 million of newly issued common shares of Churchill Capital Corp II, a special purpose acquisition company listed on the New York Stock Exchange (**Churchill**). In connection with this transaction, Churchill granted MIH Edtech Investments a 30-day option (the **MIH option**) to subscribe for up to an additional US\$400 million of newly issued common shares. At the same time, Churchill entered into agreements to acquire (i) Software Luxembourg S.A. (**Skillsoft**) in a transaction valued at approximately US\$1.3 billion (the **Skillsoft Merger**) and (ii) Global Knowledge Training LLC for a consideration valued at approximately US\$233 million (the **Global Knowledge Merger**). In November 2020, the Group announced that it had exercised the MIH option to invest the additional US\$400 million in Churchill's planned acquisition of Skillsoft.

On 11 June 2021, the Skillsoft Merger, the Global Knowledge Merger and the Prosus investment closed. As a result, the Group owns approximately 38% of the outstanding shares of the combined company, which was renamed Skillsoft Corp., and has warrants to purchase an additional 16,666,667 shares of Skillsoft Corp. for an aggregate exercise price of US\$192 million, which would represent approximately 34% of the outstanding Skillsoft Corp. shares after giving effect to the Prosus warrants and all other outstanding Skillsoft Corp. warrants. Prosus has a right to proportional Skillsoft Corp. board representation that currently provides it with the ability to designate three board members, including the chairperson. MIH Edtech Investments also entered into a strategic support agreement to provide certain business development and investor relations support services to Skillsoft Corp. The Group expects to account for its interest in Skillsoft Corp. as an investment in an associate.

On 28 May 2021, the Group acquired a 16% effective interest (15% fully diluted) for US\$191 million in API Holdings Private Limited (**PharmEasy**). PharmEasy owns India's largest integrated digital healthcare platforms. The Group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

In June 2021, the Group announced it had acquired a 62% effective interest (61% fully diluted) for US\$259 million in Good Investco B.V. (**GoodHabit**). GoodHabit provides educational information online, offering commercial, management and technical training services in the Netherlands. The Group will account for this investment as a subsidiary.

On 2 June 2021, Prosus announced its contemplated acquisition of all the shares in the capital of Stack Overflow for a purchase price of approximately US\$1.8 billion. Stack Overflow is a leading knowledge-sharing platform for the global community of developers and technologists. Prosus believes that the acquisition of Stack Overflow will strengthen its Edtech portfolio. The transaction is expected to close by Q3 of 2021 and is subject to regulatory approval and customary closing conditions. The transaction will be funded from existing cash resources, including the proceeds of the recent sale of Tencent shares.

On 11 June 2021, Prosus completed an additional purchase of shares in Eruditus, a worldwide online executive education platform. The purchase, for approximately US\$36.7 million, in aggregate, increased Prosus's stake from 7.68% to 10.01% fully-diluted (8.83% to 11.37% basic), and was conducted at a US\$1.5 billion pre-money valuation. The purchase was made pursuant to Prosus's right to increase its shareholding to 10% fully-diluted within one year of the original Series D closing. Terms of the purchase were substantially the same as for the Series D round.

## Market Trends

The Group has continued to trade in line with management's expectations since 31 March 2021, with revenue, on an economic-interest basis, continuing to grow in local currency, excluding acquisitions and disposals. The Group's focus in the year ahead will remain on driving profitability in its established Ecommerce segments, accelerating investment in its Edtech segment, and extending products and services in core segments, and to selectively invest in new opportunities. The Group also aims to improve the competitiveness of its platforms by continuing to invest in technology and products and to reinforce its artificial intelligence capabilities.

A new Covid-19 wave is affecting some of the markets in which the Group operates, but the Group remains confident that its plans and firm financial position will ensure it manages potential impacts. The fundamentals of all the Group's businesses are strong and each is well positioned to benefit from accelerating secular growth trends in the consumer internet market.

As at the date of this Prospectus, except for:

- the sale of 2% of Tencent's share capital, which reduced the Group's stake in Tencent to 28.86% and resulted in US\$14.6 billion in proceeds; and

- the additional investment in Delivery Hero, which resulted in the Group's stake in Delivery Hero increasing to 24.99%,

there have been no significant changes in the financial performance of the Group since 31 March 2021.

### **Material Agreements**

Other than the agreements referred to below, there are no agreements (other than agreements entered into in the ordinary course of business) that have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this Prospectus which are material or which have been entered into by the Company or any of its subsidiaries at any other time and which contain provisions under which the Company or any of its subsidiaries has an obligation or entitlement that is material to the Group as at the date of this Prospectus.

Other than in relation to the Group's share-based incentives and Directors' interests in Shares, the Directors have no material beneficial interests, direct or indirect, in any transactions effected by the 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.

### ***Cross-Holding Agreement***

On 27 May 2021, the Company and Naspers entered into a written Cross-Holding Agreement, subject to the implementation of the Exchange Offer, to give effect to the Cross-Holding Arrangement as part of the Capital Restructure. The purpose of the Cross-Holding Agreement is to ensure, among other things, effective and efficient ongoing interaction between Naspers and the Company in relation to distributions, including to ensure that, among other things, there is a netting of distributions between Naspers and the Company such that round tripping of cash or assets is avoided, thereby removing financial and administrative inefficiencies within the Group and the Naspers Group.

### ***eMAG Warehouse Contract***

On 7 August 2020, Dante International S.A., the owner of eMAG and in which the Group has a controlling interest, entered into an agreement for the construction of a new warehouse facility for eMAG in Bucharest, alongside an existing facility. Total expenditure under the contract is approximately US\$45 million. Construction of the warehouse facility is scheduled to be completed by October 2021.

### ***Share Placing Agreements***

On 23 March 2018, MIH TC Holdings Limited (**MIH TC Holdings**), a subsidiary of the Company, entered into a share placing agreement with Citigroup Global Markets Limited, Merrill Lynch International and Morgan Stanley & Co. International plc (the **2018 Placing Agents**) in relation to the sale of a number of shares in Tencent to purchasers procured by the 2018 Placing Agents (using their best efforts), as agent for MIH TC Holdings. In the share placing agreement, MIH TC Holdings and the 2018 Placing Agents made certain representations and warranties and gave certain undertakings that are customary for a transaction of that nature.

On 8 April 2021, MIH TC Holdings entered into a share placing agreement with Citigroup Global Markets Limited, Goldman Sachs International and Morgan Stanley & Co. International plc (the **2021 Placing Agents**) in relation to the sale of a number of shares in Tencent to purchasers procured by the 2021 Placing Agents (using their best efforts), as agent for MIH TC Holdings. In the share placing agreement, MIH TC Holdings and the 2021 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 10 April 2018, the Group entered into a five-year revolving credit facility with a group of lenders which provides, among other things, for up to US\$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 13 April 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 14 April 2025.

### *Borrower and Guarantors*

The obligations of the Company, as borrower under the Revolving Credit Facility, were previously guaranteed by Naspers. Effective 2 April 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, London Inter-bank Offered Rate (**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 utilisation 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): at all times the ratio of Net Debt (as defined below) to Value (as defined below) may not exceed 20%. The **Group**, for purposes of financial covenant measurements under the Revolving Credit Facility, refers to the Company and the holding companies of its listed subsidiaries.

**Value** is the sum of the market value of listed investments and the net asset value (i.e. consolidated book value) of unlisted investments. The value of unlisted investments counted towards the Value calculation will be capped at 20% of the combined value of listed and unlisted investments.

**Net Debt** is the debt less cash and cash equivalents of Prosus and holding companies that hold listed investments; excluding any debt related to non-recourse equity-linked financing arrangements, i.e. debt which is ring-fenced in a separate legal entity which does not have any recourse beyond the listed equity instruments pledged in relation to the financing arrangement, or to the Company or any of the holding companies of its listed investments.

As of 31 March 2021, the Group was in compliance with the financial covenants under the Revolving Credit Facility. The Net Debt to Value ratio was 2% as at the latest measurement period ended 31 March 2021.

### *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 the Company; and certain acquisitions of business which are not complementary with or related to any of the Group's 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; and 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*

The Group issued the 5.500% 2025 Notes (the **2025 Notes**) in an aggregate principal amount of US\$1.2 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 21 July 2015 (the **2025 Fiscal and Paying Agency Agreement**), among the Company as issuer 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 21 January and 21 July of each year. The 2025 Notes will mature on 21 July 2025.

The 2025 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all, or substantially all, of the Group's assets. As of 31 March 2021, the Group was in compliance with the financial covenants under the 2025 Fiscal and Paying Agency Agreement. 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.

On 6 July 2021, Prosus announced an offer to purchase any and all of the outstanding 2025 Notes, as part of a refinancing of its existing debt. The offer is intended to extend the debt maturity profile of Prosus. Prosus will pay a purchase price per US\$1,000 principal amount of 2025 Notes validly tendered and not validly withdrawn prior to the expiration deadline calculated as described in the offer to purchase. In addition to the purchase price, each holder whose 2025 Notes are validly tendered and delivered (and not validly withdrawn) and accepted for purchase will also be paid accrued interest equal to interest accrued and unpaid on the 2025 Notes from (and including) the immediately preceding interest payment date for the 2025 Notes to (but excluding) the settlement date (expected to be 15 July 2021). The 2025 Notes purchased in the offer will be retired and cancelled.

### *The 2027 Notes*

The Group issued the 4.850% 2027 Notes (the **2027 Notes**) in an aggregate principal amount of US\$1.0 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 6 July 2017 (the **2027 Fiscal and Paying Agency Agreement**), among the Company as issuer 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 6 January and 6 July of each year. The 2027 Notes will mature on 6 July 2027.

The 2027 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. As of 31 March 2021, the Group was in compliance with the financial covenants under the 2027 Fiscal and Paying Agency Agreement. 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.

On 6 July 2021, Prosus announced an offer to purchase any and all of the outstanding 2027 Notes, as part of a refinancing of its existing debt. The offer is intended to extend the debt maturity profile of Prosus. Prosus will pay a purchase price per US\$1,000 principal amount of 2027 Notes validly tendered and not validly withdrawn prior to the expiration deadline calculated as described in the offer to purchase. In addition to the purchase price, each holder whose 2027 Notes are validly tendered and delivered (and not validly withdrawn) and accepted for purchase will also be paid accrued interest equal to interest accrued and unpaid on the 2027 Notes from (and including) the immediately preceding interest payment date for the 2027 Notes to (but excluding) the settlement date (expected to be 15 July 2021). The 2027 Notes purchased in the offer will be retired and cancelled.

### *The 2028 Notes*

The Group issued the 1.539% 2028 Notes (the **2028 Notes**) in an aggregate principal amount of €500 million for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 13 July 2020 (the **2028 Fiscal and Paying Agency Agreement**), among the Company as issuer and Citibank, N.A., London Branch as fiscal and paying agent, paying agent and transfer agent. The 2028 Notes were issued at a price of 100%. Interest on the 2028 Notes is payable annually on 3 August of each year. The 2028 Notes will mature on 3 August 2028.

In December 2020, the Group issued a tap of €350 million of its existing 2028 Notes, carrying a fixed interest rate of 1.539% per annum due in 2028. This tap was offered at an issue price yield of 1.211% and will be treated as a single class together with the Group's existing €500 million 1.539% notes due 2028.

The 2028 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. As of 31 March 2021, the Group was in compliance with the financial covenants under the 2028 Fiscal and Paying Agency Agreement. The 2028 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 2027 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 2029 Notes*

On 7 July 2021, the Group issued the 1.288% 2029 Notes (the **2029 Notes**) in an aggregate principal amount of €1.0 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 5 July 2021 (the **2029 Fiscal and Paying Agency Agreement**), among the Company as issuer and Citibank, N.A., London Branch as fiscal and paying agent, paying agent and transfer agent. The 2029 Notes were issued at a price of 100%. Interest on the 2029 Notes is payable annually on 13 July of each year. The 2029 Notes will mature on 13 July 2029.

The 2029 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. The 2029 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 2029 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2029 Notes to accelerate the amounts due under the 2029 Notes.

### *The 2030 Notes*

The Group issued the 3.680% 2030 Notes (the **2030 Notes**) in an aggregate principal amount of US\$1.25 billion for the redemption of the US\$1.0 billion 6.000% Notes due in 2030 and otherwise for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 2 December 2019 (the **2030 Fiscal and Paying Agency Agreement**), among the Company 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 21 January and 21 July of each year. The 2030 Notes will mature on 21 January 2030.

The 2030 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. As of 31 March 2021, the Group was in compliance with the financial covenants under the 2030 Fiscal and Paying Agency Agreement. 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 2030 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.

### *The 2031 Notes*

On 7 July 2021, the Group issued the 3.061% 2031 Notes (the **2031 Notes**) in an aggregate principal amount of US\$1.85 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 5 July 2021 (the **2031 Fiscal and Paying Agency Agreement**), among the Company as issuer and Citibank, N.A., London Branch as fiscal and paying agent, paying agent and transfer agent. The 2031 Notes were issued at a price of 100%. Interest on the 2031 Notes is payable half-yearly on 13 January and 13 July of each year. The 2031 Notes will mature on 13 July 2031.

The 2031 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. The 2031 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 2031 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2031 Notes to accelerate the amounts due under the 2031 Notes.

### *The 2032 Notes*

The Group issued the 2.031% 2032 Notes (the **2032 Notes**) in an aggregate principal amount of €500 million for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 13 July 2020 (the **2032 Fiscal and Paying Agency Agreement**), among the Company as issuer and Citibank, N.A., London Branch as fiscal and paying agent, paying agent and transfer agent. The 2032 Notes were issued at a price of 100%. Interest on the 2032 Notes is payable annually on 3 August of each year. The 2032 Notes will mature on 3 August 2032.

In December 2020, the Group issued a tap of €250 million of its existing 2032 Notes, carrying a fixed interest rate of 2.031% per annum due in 2032. This tap was offered at an issue price yield of 1.742% and will be treated as a single class together with the Group's existing €500 million 2.031% notes due in 2032.

The 2032 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. As of 31 March 2021, the Group was in compliance with the financial covenants under the 2032 Fiscal and Paying Agency Agreement. The 2032 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 2032 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2032 Notes to accelerate the amounts due under the 2032 Notes.

### *The 2033 Notes*

On 7 July 2021, the Group issued the 1.985% 2033 Notes (the **2033 Notes**) in an aggregate principal amount of €850 million for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 5 July 2021 (the **2033 Fiscal and Paying Agency Agreement**), among the Company as issuer and Citibank, N.A., London Branch as fiscal and paying agent, paying agent and transfer agent. The 2033 Notes were issued at a price of 100%. Interest on the 2033 Notes is payable annually on 13 July of each year. The 2033 Notes will mature on 13 July 2033.

The 2033 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. The 2033 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 2033 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2033 Notes to accelerate the amounts due under the 2033 Notes.

### *The 2050 Notes*

The Group issued the 4.027% 2050 Notes (the **2050 Notes**) in an aggregate principal amount of US\$1 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 13 July 2020 (the **2050 Fiscal and Paying Agency Agreement**), among the Company as issuer and Citibank, N.A., London Branch as fiscal and paying agent, paying agent and transfer agent. The 2050 Notes were issued at a price of 100%. Interest on the 2050 Notes is payable semi-annually on 3 February and 3 August of each year. The 2050 Notes will mature on 3 August 2050.

The 2050 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. As of 31 March 2021, the Group was in compliance with the financial covenants under the 2050 Fiscal and Paying Agency Agreement. The 2050 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 2050 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2050 Notes to accelerate the amounts due under the 2050 Notes.

### *The 2051 Notes*

The Group issued the 3.832% 2051 Notes (the **2051 Notes**) in an aggregate principal amount of US\$1.5 billion for general corporate purposes pursuant to the terms of a fiscal and paying agency agreement dated 13 July 2020 (the **2051 Fiscal and Paying Agency Agreement**), among the Company as issuer and Citibank, N.A., London Branch as fiscal and paying agent, paying agent and transfer agent. The 2051 Notes were issued at a price of 100%. Interest on the 2051 Notes is payable semi-annually on 8 February and 8 August of each year. The 2051 Notes will mature on 8 February 2051.

The 2051 Fiscal and Paying Agency Agreement includes customary covenants that, among other things, limit the Group's ability to incur liens and consolidate, merge or sell all or substantially all of the Group's assets. As of 31 March 2021, the Group was in compliance with the financial covenants under the 2051 Fiscal and Paying Agency Agreement. The 2051 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 2051 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2051 Notes to accelerate the amounts due under the 2051 Notes.

### **Legal and Arbitration Proceedings**

At any given time, the Group 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 Prospectus, the Group is 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 the Group's business, financial condition or results of operations.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) during the twelve (12) months prior to the date of this Prospectus that may have, or have had in the recent past, significant effects on the Group's and/or the Company's financial position or profitability.

### **Other Developments**

#### *Share capital*

On 18 August 2020, the shareholders of the Company approved a capital repayment of 11 Euro cents per share for holders of Prosus Ordinary Shares N, and a dividend payment of 0.602 Euro cent per share for holders of Prosus Ordinary Shares A1. Holders of Prosus Ordinary Shares N as at 23 October 2020 (the **dividend record date**) who do not wish to receive a capital repayment had the option to elect to receive a dividend payment instead. On 16 October 2020, the Company published a clarification regarding the processing of dividend payments in South Africa and, more specifically, the tax consequences of such dividend payments.

In November 2020, the Company commenced a share repurchase programme to acquire up to US\$5 billion of the Company's shares and Naspers shares, which was completed on 21 June 2021. Pursuant to this programme, US\$1.37 billion of Prosus Ordinary Shares N and US\$3.63 billion Naspers N Ordinary Shares were acquired. In addition, in connection with the Exchange Offer, the Company has announced that the Board may authorise the Company to repurchase up to US\$5 billion of Prosus Ordinary Shares N post implementation of the Exchange Offer. Share repurchase programmes have and may continue to consume a significant amount of the Group's investment capital and the Group is limited in terms of its ability to raise further capital without

negatively impacting its investment grade credit rating. As a result, the Company's ability to invest in its businesses or execute its strategy could be impaired.

In connection with the Exchange Offer, the Company has announced that the Board may authorise the Company to repurchase up to US\$5 billion of Prosus Ordinary Shares N post implementation of the Exchange Offer.

### ***Financial statements***

On 16 November 2020, the Company published a trading statement indicating the expected increase in (i) earnings per share (within a range of 16.9% to 22.7%), (ii) headline earnings per share (within a range of 47.5% to 53.5%) and (iii) core headline earnings per share (within a range of 23.8% to 30.5%). On 23 November 2020, the Company published its interim financial statements for the six months ended on 30 September 2020.

On 10 June 2021, Prosus published a trading statement as, in terms of the JSE Listings Requirements, Naspers was obliged to issue a trading statement, and to ensure that shareholders of Prosus are provided simultaneously with equivalent information. The Group expected an increase in earnings, headline earnings and core headline earnings for the year ended 31 March 2021 as compared to 31 March 2020 of respectively 92.0% – 98.8%, 105.9% – 112.8% and 41.1% – 47.9%. On 21 June 2021, Prosus published its annual results for the year ended 31 March 2021. Measured on an economic-interest basis, the Group revenue grew 34% to US\$28.8 billion and Group trading profit grew 49% to US\$5.6 billion. On that same day, Prosus published its annual financial statements for FY2021 and a notice for the annual general meeting (**AGM**) to be held on 24 August 2021.

### ***Listing Prosus Ordinary Shares N on A2X***

On 23 December 2020, the Prosus Ordinary Shares N were admitted to listing on the A2X. The listing of Prosus Ordinary Shares N on the A2X comprises an additional secondary listing with respect to the primary listing on Euronext Amsterdam and the secondary listing on the JSE.

### ***Governance***

As of 1 April 2021, Mr Don Eriksson retired from the Board and its audit and risk committees. Mr Don Eriksson was an independent non-executive Director of the Board. Mr Steve Pacak has been appointed chair of the audit and risk committees. The Board has decided to nominate Mrs Angeliem Kemna for appointment as a non-executive Director of Prosus at the next AGM that is scheduled to take place in August 2021.

### ***Transactions***

On 1 December 2020, Prosus priced additional USD and EUR notes in an aggregate principal amount totalling US\$2.2 billion. On 2 December 2020, Prosus announced that an application has been made to Euronext Dublin to admit these notes to listing and trading. The offerings closed on 8 December 2020.

On 31 March 2021, the Group announced that it acquired additional shares in Delivery Hero consisting of approximately 20.37 million shares via market and bilateral trades through its subsidiary, MIH Food Holdings B.V.

In April 2021, the Group sold 2% of its effective shareholding in Tencent. The sale reduced the Group's stake in Tencent to 28.86% and resulted in US\$14.6 billion in proceeds. The Group intends to use the proceeds to increase its financial flexibility to invest in growth, as well as for general corporate purposes.

On 12 May 2021, Prosus announced this Transaction and the Exchange Offer. On 19 May 2021, the related summarised FAQs were published and, on 27 May 2021, the Prosus Circular and notice for the Prosus EGM was published. At the Prosus EGM held virtually at 14:00 hours CEST on Friday, 9 July 2021, the resolution

required to implement the Capital Restructure, including the Exchange Offer, was approved by the Shareholders on the terms and conditions set out in the Prosus Circular.

## CAPITALISATION AND INDEBTEDNESS

The tables below set out the Group's capitalisation and indebtedness as of 30 April 2021, on an actual basis (based on its unaudited consolidated statement of financial position as of 30 April 2021), and as adjusted, to reflect the impact of the Transaction, on the assumption that the Exchange Offer will be fully taken up and completed as on 30 April 2021.

The following table shows the Group's capitalisation as of 30 April 2021.

### *Capitalisation (unaudited)*

	<b>As of 30 April 2021</b>	<b>Adjusted</b>
	<i>(in US\$ millions)</i>	
Total current debt (maturity up to one year).....	101	101
<i>of which: secured</i> <sup>(1)</sup> .....	91	91
<i>of which: unsecured</i> <sup>(2)</sup> .....	10	10
Total non-current debt (excluding current portion of long-term debt) .....	8,128	8,128
<i>of which: secured</i> <sup>(3)</sup> .....	238	238
<i>of which: unsecured</i> <sup>(4)</sup> .....	7,890	7,890
<b>Equity:</b>		
Share capital .....	99	195
Legal reserves <sup>(5)</sup> .....	5,083	5,083
Other reserves <sup>(6)</sup> .....	51,757	49,614
Non-controlling interests .....	150	150
<b>Total equity</b> .....	<b>57,089</b>	<b>55,042</b>
<b>Total Capitalisation</b> .....	<b>65,318</b>	<b>63,271</b>

(1) Total of secured interest-bearing loans and other liabilities (including bank overdraft) and capitalised leases with a remaining maturity up to one year.

(2) Total of unsecured interest-bearing and non-interest-bearing loans and other liabilities with a remaining maturity up to one year.

(3) Total of secured interest-bearing loans and other liabilities and capitalised leases with a remaining maturity of more than one year.

(4) Total of unsecured interest-bearing and non-interest-bearing loans and other liabilities with a remaining maturity of more than one year.

(5) Includes legal reserves, foreign currency translation reserve and valuation reserve.

(6) Includes share premium, retained earnings, share-based payment reserve, existing control business reserve as well as funding by Naspers to the Company subsidiaries that were historically not part of the legal structure of the Group.

There has been no material change in the capitalisation of the Group since 30 April 2021.

The following table shows the Group's indebtedness as of 30 April 2021.

**Indebtedness (unaudited)**

	<b>As of 30 April 2021</b> <i>(in US\$ millions)</i>	<b>Adjusted</b>
<b>Liquidity:</b>		
Cash and cash equivalents <sup>(1)</sup> .....	10,262	10,185
Short-term investments <sup>(2)</sup> .....	<u>7,510</u>	<u>7,510</u>
<b>Total liquidity</b> .....	<u><b>17,772</b></u>	<u><b>17,695</b></u>
<b>Current financial receivables</b> .....	-	-
<b>Current financial debt (maturity up to one year):</b>		
Current debt.....	-	-
Current portion of non-current debt <sup>(3)</sup> .....	98	98
Other current financial debt.....	<u>-</u>	<u>-</u>
<b>Total current financial debt</b> .....	<u><b>98</b></u>	<u><b>98</b></u>
<b>Net current financial indebtedness</b> .....	<u><b>(17,674)</b></u>	<u><b>(17,597)</b></u>
<b>Non-current financial indebtedness:</b>		
Non-current bank loans <sup>(4)</sup> .....	287	287
Bonds issued <sup>(5)</sup> .....	7,841	7,841
Other non-current loans.....	<u>-</u>	<u>-</u>
<b>Non-current financial indebtedness</b> .....	<u><b>8,128</b></u>	<u><b>8,128</b></u>
<b>Net financial indebtedness</b> .....	<u><b>(9,546)</b></u>	<u><b>(9,469)</b></u>

- (1) Cash, net of bank overdrafts, freely available balances at banks and on hand and short-term bank deposits with a remaining maturity of three months or less.
- (2) Money-market investments with maturity dates of between 3 and 12 months.
- (3) Total of interest-bearing and non-interest-bearing loans and other liabilities and capitalised finance leases with a remaining maturity up to one year.
- (4) Total due to banks with a remaining maturity of more than one year.
- (5) Total of publicly traded bonds, net of unamortised loan costs, with a remaining maturity of more than one year.

As of 30 April 2021, the Group had undrawn available credit under the Revolving Credit Facility of US\$2.5 billion.

The Group does not have any indirect or contingent indebtedness other than the off-balance sheet arrangements and contractual obligations presented in note 25 of the Annual Financial Statements.

## SELECTED FINANCIAL AND OTHER INFORMATION

The following tables set out the Group's consolidated income statement, summary of consolidated statement of financial position, summary of consolidated 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 Financial Statements.

In addition, the selected 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 "*Important Information—Presentation of Financial and Other Information*", "*Capitalisation and Indebtedness*" and "*Risk Factors*".

### Consolidated Income Statement

	Fiscal Year	
	2021	2020 <sup>(1)</sup>
	<i>(US\$ in millions)</i>	
Revenue from contracts with customers .....	5,116	3,330
Cost of providing services and sale of goods .....	(3,455)	(2,177)
Selling, general and administration expenses.....	(2,614)	(1,762)
Other (losses)/gains—net.....	(87)	16
<b>Operating loss.....</b>	<b>(1,040)</b>	<b>(593)</b>
Interest income.....	83	201
Interest expense.....	(262)	(223)
Other finance income—net.....	177	61
Share of equity-accounted results .....	7,095	3,930
Impairment of equity-accounted investments .....	(30)	(21)
Dilution gains on equity-accounted investments.....	1,000	(52)
Net gains/(losses) on acquisitions and disposals .....	309	434
<b>Profit before taxation.....</b>	<b>7,332</b>	<b>3,737</b>
Taxation.....	67	(75)
<b>Profit for the year .....</b>	<b>7,399</b>	<b>3,662</b>
Attributable to:.....		
Equity holders of the Group.....	7,449	3,771
Non-controlling interests.....	(50)	(109)

- (1) Refer to note 2 of the Annual Financial Statements for details of the Group's voluntary change in accounting policy for the subsequent measurement of written put option liabilities during the current period. The change in accounting policy was adopted retrospectively and the results presented for the year ended 31 March 2020 have been restated.

## Summary Consolidated Statement of Financial Position

	As at 31 March	
	2021	2020
	<i>(US\$ in millions)</i>	
<b>Assets</b>		
Goodwill and other intangible assets .....	2,884	3,013
Investments in associates .....	40,556	22,233
Investments in joint ventures .....	158	72
Other non-current assets .....	4,985	1,337
Inventory .....	321	213
Trade receivables .....	150	111
Other current assets .....	1,892	731
Short-term investments .....	1,211	3,873
Cash and cash equivalents .....	3,571	4,181
<b>Total assets</b> .....	<b>55,728</b>	<b>35,764</b>
<b>Equity and liabilities</b>		
Total equity .....	43,186	29,314
Total debt <sup>(1)</sup> .....	8,192	3,807
Other non-current liabilities <sup>(2)</sup> .....	454	591
Trade payables .....	344	291
Other current liabilities .....	3,552	1,761
<b>Total equity and liabilities</b> .....	<b>55,728</b>	<b>35,764</b>

(1) Total debt includes total interest-bearing loans, interest-bearing capitalised finance 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 Statement of Cash Flows

	Fiscal Year	
	2021	2020
	<i>(US\$ in millions)</i>	
Cash from operations .....	(52)	(475)
Dividends received from investments and equity-accounted companies .....	458	382
<b>Cash generated from/(utilised in) operating activities .....</b>	<b>406</b>	<b>(93)</b>
Interest income received .....	106	224
Interest costs paid.....	(248)	(230)
Taxation paid .....	(105)	(110)
<b>Net cash generated from/(utilised in) operating activities .....</b>	<b>159</b>	<b>(209)</b>
Net capital expenditures.....	(117)	(97)
Investments in subsidiaries, associates, joint ventures, businesses and other investments .....	(1,980)	(865)
Disposals of subsidiaries, associates and businesses.....	241	109
Acquisition of short-term investments <sup>(1)</sup> .....	(1,208)	(3,866)
Maturity of short-term investments <sup>(1)</sup> .....	3,839	7,010
Net payments to related parties.....	(318)	-
Cash paid for shares in holding company <sup>(2)</sup> .....	(2,350)	-
Cash paid for other investments.....	(1,322)	(30)
Other investment activities .....	(3)	9
<b>Net cash (utilised in)/generated from investing activities .....</b>	<b>(3,218)</b>	<b>2,270</b>
Payments for repurchase of shares .....	(1,415)	-
Net proceeds from/(repayment of) loans, related party funding and capitalised leases.....	4,390	166
Contributions made to Naspers share trusts .....	(79)	-
Additional investments in existing subsidiaries .....	(270)	(64)
Additional investment from non-controlling shareholders.....	53	127
Dividends and capital repayments to shareholders .....	(214)	-
Distribution <sup>(3)</sup> .....	-	(215)
Contributions made to Naspers share trusts .....	(15)	3
Other movements resulting from financing activities .....	2,450	17
<b>Net cash generated from financing activities .....</b>	<b>(609)</b>	<b>2,078</b>

- (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 Financial Statements for more information.
- (2) Relates to payments for investments at fair value through other comprehensive income, including US\$2.41 billion paid for Naspers shares.
- (3) Relates to distributions as a result of common control transactions. See note 17 of the Annual Financial Statements for more information.



## Segmental Data

The following table sets out the Group's revenue and trading profit by segment on an economic-interest basis for the periods indicated along with a reconciliation to its consolidated, as applicable, revenue and trading profit for the relevant periods as reported on a statutory basis.

	Revenue		Trading (loss)/profit <sup>(1)</sup>	
	Fiscal Year			
	2021	2020 <sup>(2)</sup>	2021	2020 <sup>(2)</sup>
	<i>(US\$ in millions)</i>			
<b>Ecommerce comprising:</b>				
—Classifieds.....	1,599	1,281	9	34
—Payments and Fintech .....	577	428	(68)	(67)
—Food Delivery .....	1,486	751	(355)	(624)
—Etail.....	2,250	1,363	68	(20)
—Travel.....		146		(22)
—Other .....	318	297	(83)	(83)
<b>Total Ecommerce .....</b>	<b>6,230</b>	<b>4,266</b>	<b>(429)</b>	<b>(782)</b>
<b>Social and Internet Platforms comprising:</b>				
—Tencent.....	22,155	16,779	6,126	4,601
—Mail.ru.....	371	410	28	98
<b>Total Social and Internet Platforms .....</b>	<b>22,526</b>	<b>17,189</b>	<b>6,154</b>	<b>4,699</b>
Corporate services.....	-	-	(110)	(140)
<b>Total (economic interest).....</b>	<b>28,756</b>	<b>21,455</b>	<b>5,615</b>	<b>3,777</b>
Less:				
Equity-accounted investments.....	(23,640)	(18,125)	(5,778)	(4,198)
<b>Total from Group.....</b>	<b>5,116</b>	<b>3,330</b>	<b>(163)</b>	<b>(421)</b>

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

(2) During the current year, the CODM approved the change in presentation of corporate costs. Corporate costs, previously disclosed in the Other Ecommerce segment, are now included in the Corporate services segment. This provides more clarity and transparency to the total corporate costs incurred by the Group and results in a more accurate reflection of the operating performance of the Other Ecommerce segment.

The change in presentation was adopted retrospectively and the results of the year ended 31 March 2020 have been restated.

## Working Capital Statement

In the opinion of the Company, the Group's working capital is sufficient for the Group's present requirements and for at least 12 months following the date of this Prospectus.

## 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 the Group considers to be APMs. These APMs are prepared in addition to the figures that are prepared in accordance with IFRS-EU and are not audited. The Group uses APMs to provide additional information to investors and to enhance their understanding of its results. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to IFRS-EU. 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 the Group's peers. See "Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs" for more information, including definitions of these measures.

	Fiscal Year	
	2021	2020
	<i>(US\$ in millions)</i>	
Trading loss.....	(163)	(421)
Adjusted EBITDA.....	(53)	(324)
Headline earnings.....	5,840	2,795
Core headline earnings.....	4,859	3,357
Free cash flow.....	126	(338)
Total debt <sup>(*)</sup> .....	8,192	3,807
Net debt <sup>(**)</sup> .....	(3,410)	4,247

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

(1) The following table reconciles operating loss to trading loss for the period indicated.

	Fiscal Year	
	2021	2020
	<i>(US\$ in millions)</i>	
Operating loss.....	(1,040)	(593)
Adjusted for:		
Finance costs on capitalised lease liabilities.....	(10)	(8)
Amortisation of other intangible assets <sup>(a)</sup> .....	131	94
Other losses-net <sup>(b)</sup> .....	87	(16)
Retention option expenses.....	62	61
Share-based incentives calculated on a cash-settled basis <sup>(c)</sup> .....	594	25
Share-based incentives settled in Naspers N Ordinary Shares <sup>(d)</sup> .....	13	16
<b>Trading loss.....</b>	<b>(163)</b>	<b>(421)</b>

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

(b) Other losses-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 28 of the Annual 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 it has no obligation to settle the awards with participants, i.e. they are settled by Naspers.

(2) The following table reconciles operating loss to Adjusted EBITDA for the period indicated.

	Fiscal Year	
	2021	2020
	<i>(US\$ in millions)</i>	
Operating loss.....	(1,040)	(593)
Adjusted for:		
Depreciation.....	93	80
Amortisation.....	138	103
Other losses—net <sup>(a)</sup> .....	87	(16)
Retention option expenses.....	62	61
Share-based incentives calculated on a cash-settled basis <sup>(b)</sup> ordinary.....	594	25
Share-based incentives settled in Naspers N Ordinary Shares <sup>(c)</sup> .....	13	16
<b>Adjusted EBITDA</b> .....	<b>(53)</b>	<b>(324)</b>

- (a) Other losses-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 28 of the Annual Financial Statements for more information.
- (b) Represents the previous period 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 Naspers 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 it has 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 to headline earnings and core headline earnings for the period indicated. The adjustments below are made to the earnings of consolidated businesses, as applicable, controlled by the Company as well as the earnings of associates and joint ventures, to the extent that the information is available.

	Fiscal Year	
	2021	2020
	<i>(US\$ in millions)</i>	
Net profit attributable to shareholders.....	7,449	3,824
Adjusted for (net of tax effects and non-controlling interests):		
Impairment of goodwill and other intangible assets.....	67	10
(Gains)/losses on disposal of investments.....	(502)	(394)
(Profit)/loss on sale of investments held by equity-accounted investments.....	(196)	(616)
Dilution (gains)/losses on equity-accounted investments.....	(1,000)	52
Gain recognised on loss of control transactions.....	-	(17)
Gain recognised on loss of significant influence.....	-	(12)
Remeasurements of previously held interest.....	-	(73)
Impairment/(reversal of impairment) of equity-accounted investments.....	22	21
<b>Headline earnings</b> .....	<b>5,840</b>	<b>2,795</b>
Adjusted for:		
Equity-settled share-based payment expenses.....	746	608
Remeasurement of cash-settled share-based incentive expenses.....	594	-
Amortisation of other intangible assets <sup>(a)</sup> .....	440	363
Fair-value adjustments and currency translation differences <sup>(b)</sup> .....	(2,896)	(672)
Retention option expense.....	62	56
Reversal of deferred tax assets relating to prior period losses.....	6	-
Donations related to Covid-19 <sup>(c)</sup> .....	13	114
Business combination transaction costs <sup>(d)</sup> .....	54	93
<b>Core headline earnings</b> .....	<b>4,859</b>	<b>3,357</b>
<b>Headline earnings per share (U.S. cents)<sup>(e)</sup></b> .....	<b>459</b>	<b>172</b>

- (a) Amortisation of other intangible assets related to intangible assets recognised in business combinations and on acquisitions.
- (b) Represents fair-value adjustments on financial instruments (including put option liabilities) and unrealised currency translation differences.
- (c) Represents donations made to various governments and organisations in the countries in which it operates 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 Ordinary Shares for each respective period. For purposes of the calculation of headline earnings per share, the weighted average number of Ordinary Shares for FY 2021 was assumed to be 1,623 million (FY 2020: 1,625 million) Ordinary Shares.

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

	<b>Fiscal Year</b>	
	<b>2021</b>	<b>2020</b>
	<i>(US\$ in millions)</i>	
Cash from operations .....	(52)	(475)
Capital expenditure <sup>(a)</sup> .....	(117)	(97)
Capital leases repaid, gross .....	(48)	(29)
Interest on capitalised leases .....	(10)	(9)
Dividends received .....	458	382
Taxation paid .....	(105)	(110)
<b>Free cash flow</b> .....	<b>126</b>	<b>(338)</b>

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

- (5) The following table presents 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 the Group's composition on its results. For further information, see "Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs".

	Fiscal Year							Total period-over-period growth
	2020	2021	2021	2021	2021	2021	2021	
	A <sup>(1)</sup>	B <sup>(2)</sup>	C <sup>(3)</sup>	D	E <sup>(4)</sup>	F <sup>(1)(5)</sup>	G <sup>(6)</sup>	
		Group composition disposal adjustment	Group composition acquisition adjustment	Foreign currency adjustment	Local currency growth	Total	Local currency growth	
	Total					Total		
		(US\$ in millions)					(% Change)	
		Unaudited						
<b>Segmental revenue (economic interest)</b>								
Ecommerce comprising:								
—Classifieds.....	1,281	(115)	318	(91)	206	1,599	18%	25%
—Payments and Fintech.....	428	(11)	37	(28)	151	577	36%	35%
—Food Delivery.....	751	(17)	6	(189)	935	1,486	127%	98%
—Etail.....	1,363	(11)	95	67	736	2,250	54%	65%
—Travel.....	146	(146)	—	—	—	—	—	(100)%
—Other.....	297	(54)	33	(41)	83	318	34%	7%
<b>Total Ecommerce.....</b>	<b>4,266</b>	<b>(354)</b>	<b>489</b>	<b>(282)</b>	<b>2,111</b>	<b>6,230</b>	<b>54%</b>	<b>46%</b>
Social and Internet Platforms comprising:								
—Tencent.....	16,779	(54)	—	786	4,644	22,155	28%	32%
—Mail.ru.....	410	(61)	—	(50)	72	371	21%	(10)%
<b>Total Social and Internet Platforms.....</b>	<b>17,189</b>	<b>(115)</b>	<b>—</b>	<b>736</b>	<b>4,716</b>	<b>22,526</b>	<b>28%</b>	<b>31%</b>
Corporate and intergroup eliminations.....	—	—	—	—	—	—	—	—
<b>Total segmental revenue (economic interest)</b>	<b>21,455</b>	<b>(469)</b>	<b>489</b>	<b>454</b>	<b>6,827</b>	<b>28,756</b>	<b>33%</b>	<b>34%</b>

	Fiscal Year							Total period-over-period growth
	2020	2021	2021	2021	2021	2021	2021	
	A <sup>(1)</sup>	B <sup>(2)</sup>	C <sup>(3)</sup>	D	E <sup>(4)</sup>	F <sup>(1)(5)</sup>	G <sup>(6)</sup>	
		Group composition disposal adjustment	Group composition acquisition adjustment	Foreign currency adjustment	Local currency growth	Total	Local currency growth	
	Total					Total		
		(US\$ in millions)					(% Change)	
		Unaudited						
<b>Segmental trading profit (economic interest)</b>								
Ecommerce comprising:								
—Classifieds.....	34	45	(33)	(26)	(11)	9	(14)%	(74)%
—Payments and Fintech.....	(67)	5	(7)	(3)	4	(68)	6%	(1)%
—Food Delivery.....	(624)	17	(3)	(2)	257	(355)	42%	43%
—Etail.....	(20)	8	(2)	3	79	68	758%	440%
—Travel.....	(22)	22	—	—	—	—	—	100%
—Other <sup>(8)</sup> .....	(83)	4	1	8	(13)	(83)	(16)%	—
<b>Total Ecommerce.....</b>	<b>(782)</b>	<b>101</b>	<b>(44)</b>	<b>(20)</b>	<b>316</b>	<b>(429)</b>	<b>46%</b>	<b>45%</b>
Social and Internet Platforms comprising:								
—Tencent.....	4,601	(15)	—	194	1,346	6,126	29%	33%
—Mail.ru.....	98	(57)	—	(4)	(9)	28	(22)%	(71)%
<b>Total Social and Internet Platforms.....</b>	<b>4,699</b>	<b>(72)</b>	<b>—</b>	<b>190</b>	<b>1,337</b>	<b>6,154</b>	<b>29%</b>	<b>31%</b>
Corporate and intergroup eliminations.....	(140)	—	—	—	30	(110)	21%	21%
<b>Total segmental trading profit (economic interest)</b>	<b>3,777</b>	<b>29</b>	<b>(44)</b>	<b>170</b>	<b>1,683</b>	<b>5,615</b>	<b>44%</b>	<b>49%</b>

- (1) In accordance with IFRS 8, Operating Segments, which aligns the reporting of operating segments with internal management reporting. As the CODM analyses segment results in accordance with the investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes only, this method is also applied for segment reporting in the financial statements. Proportionate consolidation is a method of accounting whereby the share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in the operating segments. The Group refers 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.
- (8) During the current year, the way that corporate costs are presented to the CODM has been changed. Corporate costs, previously allocated and disclosed in the Other Ecommerce sub-segment, are now included in the Corporate services segment. This provides more clarity on the total corporate costs incurred by the Group. This change had no impact on the overall Group trading profit.

The change in presentation was adopted retrospectively and the results of the year ended 31 March 2020 have been restated. The change in presentation for the year ended 31 March 2020 is presented above for information purposes.

	Fiscal Year							
	2019 A <sup>(1)</sup>	2020 B <sup>(2)</sup>	2020 C <sup>(3)</sup>	2020 D	2020 E <sup>(4)</sup>	2020 F <sup>(1)(5)</sup>	2020 G <sup>(6)</sup>	2020 H <sup>(7)</sup>
	Group composition disposal adjustment	Group composition acquisition adjustment	Foreign currency adjustment	Local currency growth	Total	Local currency growth	Total period- over- period growth	
Total	<i>(US\$ in millions)</i>						<i>(% Change)</i>	
	Unaudited							
<b>Segmental revenue (economic interest)</b>								
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%
<b>Total Ecommerce</b>	<b>3,596</b>	<b>(515)</b>	<b>344</b>	<b>(178)</b>	<b>1,019</b>	<b>4,266</b>	<b>33%</b>	<b>19%</b>
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%
<b>Total Social and Internet Platforms</b>	<b>14,744</b>	<b>(42)</b>	<b>56</b>	<b>(617)</b>	<b>3,048</b>	<b>17,189</b>	<b>21%</b>	<b>17%</b>
Corporate and intergroup eliminations								
<b>Revenue from continuing operations (economic interest)</b>	<b>18,340</b>	<b>(557)</b>	<b>400</b>	<b>(795)</b>	<b>4,067</b>	<b>21,455</b>	<b>23%</b>	<b>17%</b>
Revenue from discontinued operations (economic interest)								
	644	(644)	—	—	—	—	—	(100)%
<b>Total segmental revenue (economic interest)</b>	<b>18,984</b>	<b>(1,201)</b>	<b>400</b>	<b>(795)</b>	<b>4,067</b>	<b>21,455</b>	<b>23%</b>	<b>13%</b>
<b>Segmental trading profit/(loss) (economic interest)</b>								
Ecommerce comprising:								
—Classifieds.....	(6)	1	(31)	15	55	34	1,100%	667%
—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)%
<b>Total Ecommerce</b>	<b>(575)</b>	<b>84</b>	<b>(157)</b>	<b>47</b>	<b>(317)</b>	<b>(918)</b>	<b>(65)%</b>	<b>(60)%</b>
Social and Internet Platforms comprising:								
—Tencent.....	3,929	(10)	—	(170)	852	4,601	22%	17%
—Mail.ru.....	23	—	56	(1)	20	98	87%	326%
<b>Total Social and Internet Platforms</b>	<b>3,952</b>	<b>(10)</b>	<b>56</b>	<b>(171)</b>	<b>872</b>	<b>4,699</b>	<b>22%</b>	<b>19%</b>
Corporate services.....								
	—	—	—	(1)	(3)	(4)	(100)%	(100)%
<b>Trading profit from continuing operations (economic interest)</b>	<b>3,377</b>	<b>74</b>	<b>(101)</b>	<b>(125)</b>	<b>552</b>	<b>3,777</b>	<b>16%</b>	<b>12%</b>
Trading loss from discontinued operations (economic interest)								
	(154)	154	—	—	—	—	—	(100)%
<b>Total segmental trading profit/(loss) (economic interest)</b>	<b>3,223</b>	<b>228</b>	<b>(101)</b>	<b>(125)</b>	<b>552</b>	<b>3,777</b>	<b>16%</b>	<b>17%</b>

- (1) In accordance with IFRS 8, Operating Segments, which aligns the reporting of operating segments with internal management reporting. As the CODM analyses segment results in accordance with the investments in associated companies and joint ventures on a proportionately

consolidated basis for segmental reporting purposes, this method is also applied for segment reporting in the financial statements. Proportionate consolidation is a method of accounting whereby the share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in the operating segments. The Group refers 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.

## OPERATING AND FINANCIAL REVIEW

*The following discussion contains an analysis of the Annual Financial Statements. The following discussion should be read in conjunction with the Annual Financial Statements and notes incorporated by reference into this Prospectus. The Annual Financial Statements have been prepared in accordance with IFRS-EU as described in "Important Information—Presentation of Financial and Other Information—Financial Data". This discussion includes forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in the forward-looking statements as a result of numerous factors, including the risks discussed in "Risk Factors" in this Prospectus. Except as otherwise specified, all FY 2020 information in this section has been derived from the Annual Financial Statements. See "—Presentation of Financial and Other Information" for more information.*

*The Group provides non-IFRS financial measures (**Non-IFRS Measures**) and other information because the Group believes that they provide investors with additional information to measure the Group's operating performance. The Group's use of Non-IFRS Measures may vary from the use of other companies in the 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 the results as reported under IFRS-EU. 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-EU. 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 the Group does. In those cases, it may be difficult to compare the performance of those entities to the 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, the Group may exclude additional items if it believes doing so would result in more transparent and comparable disclosure. See "—Important Information—Presentation of Financial and Other Information" for more information.*

*All information included in the section "—Comparison of Results of Operations for the year ended 31 March 2021 and the year ended 31 March 2020" below has been extracted from the Annual Financial Statements. A change in accounting policy was adopted retrospectively and the results presented for the year ended 31 March 2020 have been restated in the Annual Financial Statements. See "—Important Information—Presentation of Financial and Other Information" for more information.*

### Overview

The Group is a global consumer internet group operating across a variety of platforms and geographies, and is also one of the largest technology investors in the world. The Group's businesses and investments serve more than two billion users in well over 100 countries and markets. Its consumer internet services span the core focus segments of Classifieds, Food Delivery, Payments and Fintech and Etail and Other Ecommerce. In addition, with effect from 1 April 2021, the Group will report on a new core segment, Edtech, which covers education technology. The Group aims to build leading companies that create value by empowering people and enriching communities. The Group has grown by investing in, acquiring and building leading companies. The Group typically focuses on emerging large consumer trends that are linked to disruptive innovation where the Group tries to identify changes early, invest in and adapt proven business models for high-growth markets the Group focuses on, and leverage its skills and local knowledge and position to build businesses that are scalable and benefit from local network effects. The Group believes that its platforms offer customers fast, intuitive and secure environments in which to communicate and conduct transactions. The Group focuses on several markets that the Group believes present above-average growth opportunities (when compared to mature markets) due to their economic growth prospects, scalability and fast-growing, mobile internet penetration levels. The Group's businesses and investments primarily operate in China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. The Group has developed strong brands in these markets, and believes that those global and local brands are an important way for the



Group's businesses to differentiate themselves from their competitors, thereby driving organic growth through consumer word-of-mouth.

The Group's businesses and investments are organised around the following segments: Ecommerce (which comprises the Group's interests in Classifieds, Payments and Fintech, Food Delivery, Etail and Other Ecommerce (including Ventures)), Social and Internet Platforms (which comprises the Group's interests in Tencent and Mail.ru Group) and Corporate (relating to the Group-level Corporate services and treasury function).

### **Significant factors affecting the results of the Group's operations**

The Group believes that the following factors have had and will continue to have a material impact on the results of the operations and financial condition of the Group. Because many of these factors are beyond the Group's control and certain of these factors have historically been volatile, past performance is not necessarily indicative of future performance and it is therefore difficult to predict future performance. In addition, important factors that could cause the actual results of operations or financial condition of the Group to differ materially from those expressed or implied below include, but are not limited to, the factors indicated in "*Risk Factors*" in this Prospectus.

### ***The Group's results are impacted by the operational performance of its associated companies and joint ventures***

The Group's investments in associated companies and joint ventures account for a significant majority of its non-current assets (FY 2021: 84% and FY 2020: 84%). The Group's investments in associated companies and joint ventures have been accounted for under the equity method for purposes of the Annual Financial Statements. However, for the Group's segmental reporting, the Group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments, which management considers to be more reflective of the economic value of these investments. Proportionate consolidation is a method of accounting whereby the Group's share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in the Group's operating segments. Revenue and trading profit/(loss) in the Group's segmental review are presented on an economic-interest basis and are accordingly not directly comparable to the Group's consolidated or combined revenue and trading profit figures. See "*Selected Financial and Other Information—Non-IFRS Financial Measures and APMs*" for the Group's segmental revenue and trading profit on an economic-interest basis for the periods under review.

The Group's segmental results are significantly impacted by the operational performance of its investments in associated companies and joint ventures. The Group's ownership stake in Tencent in particular accounted for 77% and 78% of its revenue on an economic-interest basis and 109% and 122% of its trading profit from continuing operations on an economic-interest basis for FY 2021 and FY 2020, respectively. Tencent's operational performance is impacted by various factors, including its ability to increase the engagement and monetisation of its user base, its ability to develop, acquire and license content and applications, its ability to maintain relationships with strategic partners, its ability to innovate and compete effectively and regulatory developments affecting the businesses it operates. Changes in Tencent's results would in turn have a significant impact on the Group's results. For example, Tencent's revenues increased by RMB105 billion, or 28%, from RMB377 billion in the year ended 31 December 2019 to RMB482 billion in the year ended 31 December 2020. As a result of this increase, the Group's share of Tencent's revenue grew by 32% from US\$16,779 million in FY 2020 to US\$22,155 million in FY 2021 and, consequently, the Group's total revenue on an economic-interest basis grew by 34% from US\$21,455 million in FY 2020 to US\$28,756 million in FY 2021. Similarly, Tencent's net profit for the year increased by RMB64 billion, or 67%, from RMB96 billion in the year ended 31 December 2019 to RMB160 billion in the year ended 31 December 2020. As a result of this increase, the Group's share of Tencent's trading profit grew by 33% from US\$4,601 million in FY 2020 to US\$6,126 million in FY 2021 and, consequently, the Group's total trading profit on an economic-interest basis grew by 49% from US\$3,777 million in FY 2020 to US\$5,615 million in FY 2021.

## Currency fluctuations

The Group's reporting currency is the U.S. Dollar. The Group operates in countries and markets across the world and the financial performance of the Group's businesses are translated from their functional currencies to U.S. Dollars, resulting in significant exposure to foreign exchange volatility, primarily with respect to the Hong Kong Dollar (and, indirectly, the Chinese Yuan Renminbi, owing to the Group's interest in Tencent), Euro, Brazilian Real, Russian Ruble, Indian Rupee, Polish Złoty and Romanian Leu. Fluctuations in these currencies against the U.S. Dollar: (i) have in the past affected, and could in the future affect, the Group's revenue, operating costs and general business and financial condition; and (ii) affect the comparability of the Group's performance between financial periods. For example, the changes in the aforementioned currencies against the U.S. Dollar positively affected the Group's year-on-year trading profit performance by US\$170 million or 5% in FY 2021 and negatively by US\$125 million or 4% in FY 2020.

The Group has limited transactional foreign exchange exposure forming part of its normal operating activities as most of its businesses operate as local businesses with revenue and expenses denominated in local currency. Where the Group's revenue is denominated in local currencies, a depreciation of the local currency against the U.S. Dollar would adversely affect the Group's earnings and its ability to meet its cash obligations. Many of the Group's operations are in countries or regions where the local currency has fluctuated considerably against the U.S. Dollar in recent years. Management is responsible for hedging the net transactional position in the major foreign currencies by using forward exchange contracts. The Group generally seeks to cover forward 100% of transactional firm commitments in foreign currency for a minimum of one year; the Company typically does not hedge its net investment position in its underlying subsidiaries, associates or joint ventures. See "*Currency Policies*" below.

While the Group's local businesses do not face material foreign exchange risk, the Company is reliant on cash extractions from its subsidiaries and associate investments to meet its central cash obligations, which include interest payments on U.S. Dollar- and Euro-denominated debt. In this regard, the Group is most sensitive to a devaluation in the Chinese Yuan Renminbi (the functional currency of Tencent's subsidiaries in the PRC), the Hong Kong Dollar (owing to the Group's interest in and annual dividend from Tencent), the Russian Ruble, the Polish Złoty and the Romanian Leu. As of 31 March 2021, 75% of the Group's net cash reserves, including short-term investments, and 64% of the Group's debt obligations, were denominated in U.S. Dollars and 8% of the Group's net cash reserves, including short-term investments, and 35% of the Group's debt obligations, including the impact of the cross-currency swap related to the Group's 5.500% Notes due 2025, were denominated in Euro.

The following table sets out historic exchange rates relative to the U.S. Dollar of the Group's main currencies.

Exchange rate	FY 2021		FY 2020	
	Average	At year-end	Average	At year-end
Euro .....	1.1691	1.1730	1.1103	1.1031
Chinese Yuan Renminbi.....	0.1479	0.1526	0.1433	0.1412
Brazilian Real.....	0.1830	0.1775	0.2398	0.1921
Indian Rupee .....	0.0135	0.0137	0.0141	0.0133
Polish Złoty .....	0.2593	0.2533	0.2569	0.2420
Russian Ruble.....	0.0134	0.0132	0.0152	0.0127
Romanian Leu .....	0.2405	0.2384	0.2330	0.2282

## Significant acquisitions, disposals and investments

The Group's strategy is to increase its revenue and profits through organic growth, supported by further acquisitions as opportunities arise. Significant acquisitions and disposals by the Group can affect the comparability of the financial results between reporting periods. For example, in the year ended 31 March 2021, the Group contributed its investment in letgo as well as cash of US\$100 million into a merged business with OfferUp, the Group contributed its Middle Eastern Classifieds assets into Emerging Markets Property Group (EMPG) as well as cash of US\$75 million, the Group's joint venture, Silver Brazil JVCo B.V.,

completed the US\$520 million acquisition of leading real estate vertical, Grupo ZAP, the Group acquired an additional 8% interest in Delivery Hero for US\$2.6 billion, the Group invested an additional US\$67 million in Remitly Inc. (**Remitly**) to expand its suite of products, and the Group invested US\$60 million in Eruditus Learning Solutions Pte Ltd. (**Eruditus**), a global professional higher-education online platform. In FY 2020, the Group contributed its investment in Netpreneur Connections Enterprises Inc. as well as cash with an aggregate value of US\$56 million for a 12% effective interest in Carousell Private Limited, the Company invested US\$320 million in cash and contributed a portion of its investment in subsidiaries India Used Car Group B.V. and Poland Used Car Group B.V. for an additional interest in FCG, and in October 2019 the Group concluded the merger of Dante International Korlátolt Felelősségű Társaság (**eMAG Hungary**) with the operations of Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság (**Extreme Digital**), for cash of US\$1 million and an aggregate value of US\$13 million. In addition, the Group exchanged its 43% effective interest in MakeMyTrip Limited for a 5.6% interest in Trip.com Group Limited (formerly Ctrip.com International Limited) (**Trip.com**) and realised a profit of US\$599 million on such exchange.

In the aggregate, the Group invested US\$3.3 billion of cash in acquisitions in FY 2021 (FY 2020: US\$865 million), and realised total cash of US\$241 million in disposals (FY 2020: US\$109 million). For an overview of the various significant acquisitions and disposals in FY 2021 and FY 2020, see note 4 of the Annual Financial Statements.

### ***Marketing and technological development expenses***

Marketing expenses are one of the most significant cost items for the Group, particularly for the Classifieds, Payments and Fintech, and Food Delivery segments. In markets where operations are ramping up or where the businesses are attaining or defending leading positions, the Group invests heavily in marketing. The Group also incurs significant technological development expenses to improve its platforms to provide users with a more efficient and easier experience for user retention. The Group also facilitates users to communicate with each other and, through word-of-mouth marketing in the online communities, drive organic growth in the business.

In the Classifieds business, marketing spend is significant where brand awareness is being driven, specifically in less mature markets. Creating brand awareness increases users, both customers and sellers, of the platforms, which ultimately improves the number of paying listers on the platforms. Prior to FY 2018, significant marketing spend was incurred in the U.S. as letgo drove market share. In FY 2018 and subsequent years, marketing spend was reduced significantly as the business focused on product improvement and user retention. However, following the impacts of the Covid-19 pandemic on the businesses, Classifieds has increased its brand awareness campaigns especially in Avito as it expands its offerings to customers.

In FY 2018 through to FY 2020, the Payments and Fintech, as well as the Classifieds, businesses increased spend on the development of their platforms. In the Classifieds business, machine learning and artificial intelligence are being applied to enhance the user experience, coupled with investing in mobile apps for trading consumer goods. Supporting these initiatives, the Classifieds business invested in a standardised platform that is able to provide users with a localised experience, which is expected to contribute to user retention. The Payments and Fintech business has been investing in innovative technology, developed in-house as well as through investments and strategic partnerships, that empowers consumers and merchants to buy and sell online more efficiently, as well as extending the reach of financial services, which is ultimately expected to increase the number of transactions processed.

In the Food Delivery segment, brand awareness is an important driver of performance in terms of the number of orders, GMV and the number of restaurants that sign up to participate on the food delivery platforms. Increasing brand awareness through marketing initiatives and incentives such as discount coupons increases the number of orders placed, which in turn positively impacts revenue performance. In markets where there is a high share of satisfied customers, marketing expenses typically decline as a large number of orders are generated from existing customers or from new customers referred to the platforms by existing customers through word-of-mouth marketing. In markets that are ramping up, such as Latin America, marketing spend is increased to drive order volumes and expand the customer base. In FY 2021, marketing spend was reduced

in Brazil as food delivery transitioned to an important service rather than a convenience service as a result of the Covid-19 pandemic. iFood in Brazil focused on taking care of the community, rather than on marketing efforts.

### ***GMV in the Etail and Food Delivery segments***

GMV is a significant revenue driver in the Etail and Food Delivery segments.

In the Etail business, GMV represents the value of all successfully closed transactions between users on the platform. GMV provides a measure of the overall volume of transactions through the Etail platform, both through first-party and third-party transactions. A large and active user base provides a sizable platform for users to interact via the Group's platforms and assists with user acquisition and retention. In the periods under review, eMAG saw organic growth in GMV, especially in its core markets of Romania, Hungary and Bulgaria, of 52% (nominal growth of 65%) in FY 2021 and 18% (nominal growth of 12%) in FY 2020.

In the Food Delivery segment, the number of orders placed and their frequency are key elements underpinning GMV. In addition, average customer basket size, or value of average customer basket, also impacts GMV. General economic conditions that prevail in specific markets impact average basket size, with less developed markets typically showing smaller basket sizes. The quality of food and menu options also influence basket size. Cumulative annualised GMV for the Group's Food Delivery segment grew organically by 70% in FY 2021 and 76% in FY 2020. This represented aggregate growth of the Delivery Hero, Swiggy and iFood businesses. Similarly, cumulative annualised order volumes grew by 52% in FY 2021 and 102% in FY 2020. Growth in FY 2021 was driven largely by iFood and Delivery Hero. iFood's order volumes and GMV, in local currency, grew by 100% and 148%, respectively, in FY 2021 compared to FY 2020. Additionally, Delivery Hero's order volumes grew by 96% and 148%, while Swiggy's order volumes declined by 42% during the year compared to FY 2020 due to the negative impacts of government-imposed lockdowns and restrictions in India which diminished restaurant supply, restaurant workers and delivery partners as well as supply-chain disruptions.

### ***Average monthly paying listers in the Classifieds segment***

The number of users of the Group's internet platforms and mobile and communication services has a significant impact on its operating results. This is particularly important for the Classifieds segment. Listing revenue is generated through advertising by listers on the Group's platforms. Accordingly, the average monthly paying listers is a significant driver. A large and active user base provides a sizable platform for users to interact via the various services that the Classifieds businesses offer. This assists with user acquisition and retention. A large user base coupled with offerings that improve visibility of item listings such that items have a better chance of standing out and selling faster increases the number of average monthly paying listers. In March 2021, average monthly paying listers reached 4.1 million, representing 9% growth compared to 3.8 million average paying listers in March 2020. This growth in average monthly paying listers was particularly driven by Avito in Russia, which grew by 10% year-on-year in FY 2021, and OLX Poland, which grew by 6% year-on-year in FY 2021. This growth was largely driven by increased investments by the Group to enhance service and product offerings in these businesses. See "*Important Information—Presentation of Financial and Other Information*".

### ***TPV in the Payments and Fintech segment***

Revenue in the Payments and Fintech segment is generated through fees charged for processing transactions based primarily on the volume of transactions processed through the payment platforms offered by the Group. The payments technology provides a link between the merchant's website to its processing network and the merchant's account, enabling merchants to accept online credit or debit card payments. The volume of transactions is dependent upon, among other things, consumer spending patterns as well as the adoption of digital payment methods by both merchant and consumer. In March 2021, transactions increased by 38%, reaching 1.7 billion compared to 1.2 billion in the prior year. In FY 2021, payment volumes processed grew

45% (51% in local currency) to US\$55.1 billion compared to US\$37.9 billion for FY 2020. See "*Important Information—Presentation of Financial and Other Information*".

### ***Seasonal trends***

The Group's overall business experiences some seasonality. Certain of the Company's major subsidiaries experience variations in business or economic activity depending on the season and around the occurrence of major events. More than half of its revenue on an economic-interest basis is generated in the second half of the fiscal year, and therefore growth rates in the first and second quarter may not be reflective of the Group's annual growth. The Etail businesses experience stronger results during winter, specifically around religious holidays like Christmas. Other religious holidays, like Diwali, have a significant impact on the Group's payments business which services the travel industry. In addition, sales events such as Black Friday for eMAG have also resulted in significant increases in revenue. The Classifieds segment follows similar trends to Etail. Within the Etail segment, 43% of revenue was earned in the first half of the fiscal year in FY 2021 (FY 2020: 39%). Within the Classifieds businesses, 39% of revenue was earned in the first half of the fiscal year in FY 2021 (FY 2020: 46%). The Classifieds segment was impacted in FY 2021 by Covid-19 – see "*Impact of the Covid-19 global pandemic*" below. The payment platforms also track similar seasonal trends, with around 44% of revenue being earned in the first half of the fiscal year in FY 2021 (FY 2020: 46%). In the Food Delivery business, seasonality impacts the numbers of orders placed. Typically, colder seasons with less daylight hours increase the likelihood of orders being placed. Further, religious practices, such as observing the fast by Muslims during the month of Ramadan, have historically resulted in fewer food orders being placed. In addition, marketing activities and the pace of expansion into new cities and regions also increase order volumes, which may cause variances in the seasonal trends in this segment, especially during the early development phase of the businesses. In FY 2021, 41% (FY 2020: 41%) of revenue from the Food Delivery business was earned in the first half of the year.

### ***Impact of the Covid-19 global pandemic***

The outbreak of the novel strain of the coronavirus identified in late 2019 (Covid-19) and the responses thereto has had a material impact on the Group's employees, businesses, operations and communities, as well as the economy at large.

While navigating a worldwide pandemic, the Group benefited from its global reach and diversified operations. Despite the impact of the uncertainty, the Group witnessed acceleration in the digital transformation of each of the Group's main sectors: online classifieds, food delivery, payments and finance technology, education technology and online retail. In FY 2021, the Group's businesses grew stronger, driven first by accelerating consumer internet use and, secondly, by its businesses' scale, and its financial performance evidenced accelerated revenue growth, improved profitability and cash generation as well as increased growth in customer numbers.

The Group remains focused on prioritising the health and wellbeing of its employees as the pandemic continues. The Group has extended support to its partners and communities in which it operates by donating to Covid-19 response programmes. Separately, the Group enhanced its commitment to environmental and social issues.

In FY 2021, all core ecommerce segments made progress against their financial and strategic objectives. Classifieds performed well under tough circumstances and recovered in the second half, regaining financial and operational momentum by focusing on continued innovation with products that support users along their transaction journey. Food Delivery and Etail performed exceptionally well as customers shifted from offline to online. After an initial drop in volumes in India as the country entered lockdown, its Payments and Fintech business rebounded, reflected in accelerating volumes. Finally, the Group's investments in the edtech sector began to bear fruit, driven by increased adoption by students working from home.

Of all its segments, Classifieds was most affected by the global pandemic. Trade volumes initially declined after sudden and strict lockdowns in many markets, which reduced demand for large purchases and impeded

physical transactions. The Group responded quickly by providing digital alternatives and investing in its customer relationships by offering discounts. Towards the end of the first quarter of FY 2021, as lockdowns eased and the Group's customers discovered ways to cope with restrictions, traffic metrics quickly recovered and the Group regained momentum, supported by its innovations. Despite continued business disruptions from pandemic-related restrictions in many of its markets in the second half of FY 2021, Classifieds maintained strong growth. Average MAUs reached 322 million at the end of FY 2021, compared to 300 million in FY 2020. Buyers and paying listers also trended ahead of the prior financial year. Classifieds ended a challenging year with a solid second-half performance, demonstrating the resilience of the business model, with high revenue growth and user adoption across the portfolio. During FY 2021, the Group also witnessed consumers becoming more comfortable with online transactions. The Group expects this trend will continue to drive its strategic agenda – to develop an ecosystem of products and services to support its customers throughout their transaction journey.

While tragic at a human level, the pandemic validated the Group's investment thesis in Food Delivery and accelerated the customer shift to online food delivery. Despite operational challenges presented by the pandemic, the segment recorded rapid growth in most portfolio companies, except India. In India, government-imposed lockdowns had a large impact on the business initially, although it steadily recovered to the end of the fiscal year. Importantly, the Group's portfolio companies gained scale during the fiscal year and the Group believes post-pandemic prospects for on-demand food delivery remain positive worldwide.

PayU, in the Payments and Fintech segment, continues to benefit across its markets from the shift in consumer behaviour to transacting online, and small- and medium-sized enterprises digitising their business models. India, the Group's largest market, was affected in the first quarter of FY 2021 by the country's severe lockdown restrictions. These led to a halt in the travel and hospitality sector and major supply-chain disruptions. India's TPV increased by 24% in the first half of FY 2021. As regulations eased and digital payments adoption increased, the business recovered strongly and TPV grew 59% in the second half of FY 2021. This was supported by higher online transactions in ecommerce and a decline in cash-on-delivery, both positive trends for the business long term. Additionally, diversifying into resilient segments like financial services, education and bill payments offset the decline in the travel and hospitality segment. After a strong second half of FY 2021, TPV grew 37% (42% in local currency) to US\$27 billion. This saw the business more than double transaction volumes from US\$12 billion in FY 2018, despite challenging circumstances, through innovation and revenue diversification.

The Etail business continues to benefit from pandemic tailwinds, albeit not at the same pace as the first half of FY 2021 when shops had to close under governments' lockdown measures. During FY 2021, both first-party (**1P**) and third-party (**3P**) sales accelerated, and continued expansion of the 3P business broadened the product offering for customers. Thousands of new customers were drawn to the eMAG platform.

A new Covid-19 wave is affecting some of the Group's markets, but the Group remains confident that its plans and firm financial position will ensure the Group manages potential impacts. Generally, the Group believes the fundamentals of its businesses are strong and it believes each is well positioned to benefit from accelerating growth trends in the consumer internet market.

The Group believes it has sufficient liquidity to operate its businesses and that it has the ability to continue investing in its businesses and other opportunities that may arise during this period. In addition, all of the Group's businesses have contingency plans in place. The Group assesses potential impacts and supports its businesses as they take market-specific actions as needed. The ultimate impact of Covid-19 is difficult to predict and will vary by sector and geography, but the Group believes it has the teams, the resources and the experience required to address the challenges and achieve long-term growth in the markets it serves.

## Discussion of Principal Operating Results Items

### *Revenue from contracts with customers*

In the year ended 31 March 2021, the Group's revenue comprised online sales of goods revenue (55%), classifieds listings revenue (14%), payment transaction commissions and fees revenue (10%), mobile and other content revenue (3%), food delivery revenue (14%), advertising revenue (1%) and other revenue (2%). In FY 2020, the Group's consolidated revenue comprised online sales of goods revenue (46%), classifieds listings revenue (23%), payment transaction commissions and fees revenue (11%), mobile and other content revenue (5%), food delivery revenue (9%), advertising revenue (3%) and other revenue (3%). The following provides a brief description of the Group's revenue types:

- ***online sales of goods revenue*** includes revenue earned from its online general retail, fashion and other Etail trading platforms as well as revenue from the sale of goods on its Classifieds platforms. Online sales of goods revenue is primarily generated by the eMAG businesses in the Etail segment, and FCG and OLX India, the Classifieds businesses operating in the car sales verticals.
- ***classifieds listings revenue*** includes revenue earned from listings of goods and services placed on its online general, automotive and retail classifieds platforms.
- ***payment transactions and commissions fees*** includes fees for facilitating transactions on its facilitation and payments platforms, as well as fees from the extension of credit facilities.
- ***mobile and other content revenue*** includes revenues earned from the provision of online mobile app-based services and content, ticketing and logistics services.
- ***food delivery revenue*** includes revenues earned from online food ordering and delivery platforms.
- ***advertising revenue*** includes revenue for advertisements placed on its internet platforms.
- ***other revenue*** primarily includes travel-package revenue and commissions thereon and fees and commissions earned from online comparison-shopping platforms.

### *Costs of providing services and sale of goods*

The cost of providing services and sale of goods included costs of providing services and sale of goods, costs of goods sold, marketing costs and staff costs.

The following provides a brief description of the Group's various costs of providing services and sale of goods:

- ***platform/website hosting, warehousing costs and costs of goods sold on those platforms*** include the costs of maintaining and hosting the online platforms and applications on which the Group hosts its online businesses, the warehousing costs associated with the online Etail businesses and the costs of goods sold on the various platforms, mainly in the Etail and Classifieds businesses.
- ***delivery service costs*** include costs related to logistics costs primarily in the Etail and Food Delivery businesses.
- ***marketing costs*** include costs related to specific advertising and promotional campaigns for targeted products and services, mainly in the Food Delivery business.
- ***payment facilitation transaction costs*** include the costs associated with the facilitation of payment and credit facilities.

### ***Selling, general and administration expenses***

These costs include fixed overhead costs, such as: (i) general business and brand advertising and marketing, information system and public relations; (ii) staff and other costs related to the various businesses as well as from the Group's support functions like finance and accounting, human resources, etc.; and (iii) amortisation and depreciation costs assigned to selling, general and administrative expenses.

### ***Other gains/(losses)—net***

Included in other gains/(losses)—net are: (i) profits and losses on any sales of assets; (ii) the fair-value adjustment of financial instruments; (iii) impairment losses of goodwill and other intangible assets, property, plant and equipment and other assets; (iv) compensation received from third parties for impaired, lost or stolen property, plant and equipment; and (v) dividends received on investments.

### ***Share of equity-accounted results***

These include results from investments in the Group's associated companies and joint ventures, which are accounted for under the equity method. Associated companies are those companies in which the Group exercises significant influence but which it does not control or jointly control. Associated companies and joint ventures principally comprise Tencent, Mail.ru and Delivery Hero, in which, as of 31 March 2021, the Group held 30.86%, 27.29% and 21.10% interests, respectively. See "*Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs*".

### ***Dilution gains/(losses) on equity-accounted investments***

These include the gains/(losses) recognised on the decrease in the Group's shareholding in associated companies and joint ventures. The decreases arise through partial disposals of shareholdings in associates or joint ventures where the Group retains significant influence in the investee, the investee has undertaken funding rounds in which the Group does not participate or if the investee issues shares in terms of their employee share incentive schemes.

### ***Gains on acquisitions and disposals***

Gains on acquisitions and disposals arise on the sale of investments or where the Group loses control of a subsidiary. In addition, the remeasurements of contingent consideration or previously held interests are also recognised in gains on acquisitions and disposals. Acquisition-related costs are offset against these gains.

## **Comparison of Results of Operations for the year ended 31 March 2021 and the year ended 31 March 2020**

The following discussion and analysis of the Group's results of operations for the year ended 31 March 2021, including relevant comparative financial information for the year ended 31 March 2020, should be read in conjunction with, and is qualified in its entirety by reference to, the Annual Financial Statements, including the notes thereto, as well as the sections headed "*Important Information—Presentation of Financial and Other Information*", "*Selected Financial and Other Information*" and "*Business*".

The following table sets forth the Group's results of operations for the year ended 31 March 2021 and the year ended 31 March 2020, which have been derived from the Annual Financial Statements.

	Fiscal Year		% Change
	2021	2020 <sup>(1)</sup>	
	<i>(US\$ in millions)</i>		
Revenue from contracts with customers .....	5,116	3,330	54%
<b>Operating expenses</b>			
Cost of providing services and sale of goods .....	(3,455)	(2,177)	59%
Selling, general and administration expenses.....	(2,614)	(1,762)	48%



	Fiscal Year		
	2021	2020 <sup>(1)</sup>	% Change
Other (losses)/gains—net.....	(87)	16	(644)%
<b>Total operating expenses</b> .....	<b>(6,156)</b>	<b>(3,923)</b>	<b>57%</b>
<b>Operating loss</b> .....	<b>(1,040)</b>	<b>(593)</b>	<b>75%</b>
Interest income.....	83	201	(59)%
Interest expense.....	(262)	(223)	17%
Other finance income—net.....	177	61	190%
Share of equity-accounted results.....	7,095	3,930	81%
Impairment of equity-accounted investments.....	(30)	(21)	43%
Dilution gains/(losses) on equity-accounted investments.....	1,000	(52)	2,023%
Net gains on acquisitions and disposals.....	309	434	(29)%
<b>Profit before taxation</b> .....	<b>7,332</b>	<b>3,737</b>	<b>96%</b>
Taxation.....	67	(75)	189%
<b>Profit for the year</b> .....	<b>7,399</b>	<b>3,662</b>	<b>102%</b>
Attributable to:			
Equity holders of the Group.....	7,449	3,771	98%
Non-controlling interests.....	(50)	(109)	54%

(1) Refer to note 2 of the Annual Financial Statements for details of the Group's voluntary change in accounting policy during the current period for the subsequent measurement of written put option liabilities. The change in accounting policy was adopted retrospectively and the results presented for the year ended 31 March 2020 have been restated.

## Revenue

The Group's total revenue increased by US\$1,786 million, or 54%, from US\$3,330 million in the year ended 31 March 2020 to US\$5,116 million in the year ended 31 March 2021, primarily due to Food Delivery and Etail and, to a lesser extent, Classifieds and Payments and Fintech.

The Group operates in countries and markets across the world, resulting in significant exposure to foreign exchange volatility. This can have an impact on reported revenues and costs as they are generally denominated in local currency. The financial performance of the Group's businesses is accounted for in their respective functional currencies and translated to U.S. Dollars. The weakening of certain currencies against the U.S. Dollar in the year ended 31 March 2021 negatively affected the Group's year-on-year performance by US\$294 million, or 9%, through the translation impact, specifically in the Food Delivery, Classifieds and Payments and Fintech businesses. Revenue growth expressed in local currency, excluding acquisitions and disposals, of 56% was achieved in the year ended 31 March 2021.

Online sales of goods revenue represented 55% and 46% of the Group's total revenue in the year ended 31 March 2021 and the year ended 31 March 2020, respectively.

The table below presents revenue by type for the periods indicated.

	Fiscal Year		
	2021	2020	% Change
	<i>(US\$ in millions, except %s)</i>		
<b>Revenue from contracts with customers by revenue type</b>			
Online sales of goods revenue.....	2,826	1,539	84%
Classifieds listings revenue.....	715	772	(7)%
Payment transaction commissions and fees.....	513	380	35%
Mobile and other content revenue.....	147	173	(15)%
Food delivery revenue.....	733	310	136%
Advertising revenue.....	71	91	(22)%
Comparison shopping commissions and fees.....	—	22	(100)%
Other revenue.....	111	43	158%
<b>Total revenue from contracts with customers</b> .....	<b>5,116</b>	<b>3,330</b>	<b>54%</b>

The following table sets out the Group's revenue by geographic market for the year ended 31 March 2021 and the year ended 31 March 2020, as well as each line item expressed as a percentage of total revenue for the period.

	Fiscal Year			
	2021		2020	
	<i>(US\$ in millions, except %s)</i>			
Asia .....	420	8%	341	10%
Europe .....	3,186	62%	2,187	66%
Latin America.....	1,266	25%	624	19%
Africa.....	36	1%	36	1%
Other.....	208	4%	142	4%
<b>Total revenue from contracts with customers .....</b>	<b>5,116</b>	<b>100%</b>	<b>3,330</b>	<b>100%</b>

The following table and discussion sets out the Group's segmental revenue on an economic-interest basis for the periods indicated. For further information, see "Important Information—Presentation of Financial and Other Information".

	Fiscal Year		
	2021	2020	Growth in local currency <sup>(1)</sup>
	<i>(US\$ in millions, except %s)</i>		
<b>Segmental revenue (economic interest)</b>			
<b>Ecommerce comprising:</b>			
—Classifieds .....	1,599	1,281	18%
—Payments and Fintech.....	577	428	36%
—Food Delivery.....	1,486	751	127%
—Etail .....	2,250	1,363	54%
—Travel .....	—	146	(100)%
—Other.....	318	297	34%
<b>Total Ecommerce.....</b>	<b>6,230</b>	<b>4,266</b>	<b>54%</b>
<b>Social and Internet Platforms comprising:</b>			
—Tencent.....	22,155	16,779	28%
—Mail.ru.....	371	410	21%
<b>Total Social and Internet Platforms .....</b>	<b>22,526</b>	<b>17,189</b>	<b>28%</b>
<b>Total segmental revenue (economic interest)</b>	<b>28,756</b>	<b>21,455</b>	<b>33%</b>

(1) Represents change in local currency, excluding acquisitions and disposals. See "Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs" for more information.

### *Ecommerce segmental revenue*

Total revenue in the Ecommerce segment on an economic-interest basis increased by US\$1,964 million, or 46%, from US\$4,266 million in the year ended 31 March 2020 to US\$6,230 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, revenue grew by 54%. This was led by contributions from Classifieds, Payments and Fintech, Food Delivery and Etail as discussed further below. Various currency weaknesses relative to the U.S. Dollar had a negative US\$282 million, or 7%, effect on the U.S. Dollar reported revenue. The Group associates and joint venture investments contributed US\$1,114 million to Ecommerce revenue in the year ended 31 March 2021, compared to US\$936 million in the year ended 31 March 2020. The increase of US\$178 million, or 19%, was primarily due to the strong growth performance from Delivery Hero and Swiggy in Food Delivery. See "Important Information—Presentation of Financial and Other Information" for more information.

Revenue in the Classifieds business increased by US\$318 million, or 25%, from US\$1,281 million in the year ended 31 March 2020 to US\$1,599 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, revenue grew by 18%. Classifieds ended a challenging year with a solid second-

half performance, demonstrating the resilience of the business model, with high revenue growth and user adoption across the portfolio. This recovery in the second half is evidenced where revenues in local currency (excluding acquisitions and disposals) grew 36% compared to negative 3% on the same basis in the first half of FY 2021. Despite the challenges, the Group's traditional online classifieds business grew 10% (13% in local currency, excluding acquisitions and disposals) for the year. This represents growth in local currency (excluding acquisitions and disposals) of 23% in the second half of FY 2021 compared to just 4% in the first half of FY 2021. Founded on the Group's product-centric mindset and strengthened by marketing investment, Russia and Europe remain the drivers of the Group's classifieds business. During the year, the Group strengthened its full horizontal classifieds ecosystem by launching pay-and-ship in Poland and Brazil. The Group also enhanced its pay-and-ship proposition in Russia and Eastern Europe. The Group will continue to move deeper into its stronghold markets and categories, and expand its offering to enhance the journeys of those customers. In Russia, Avito continued to invest in enhancing trust and safety across the platform and in building a customer-centric ecosystem. Offerings such as pay-and-ship have resonated with customers in a contactless environment. These initiatives improved the customer experience, driving a 21% increase in monthly unique buyers for the year and a 6% (20% in local currency, excluding acquisitions and disposals) increase in revenue to RUB31 billion (US\$415 million). In Europe, the Group continued to develop a dynamic customer-friendly ecosystem. The Group expanded its transactional adjacent footprint by acquiring KIWI Finance, a mortgage broker in Romania; Carsmile, a car-leasing provider in Poland; and Obido, a real-estate platform for the primary market in Poland. In a very difficult operating environment, revenue grew 13% (11% in local currency, excluding acquisitions and disposals) to US\$351 million, driven by key markets in Poland, Ukraine and Romania. The business recovered strongly in the second half and revenues accelerated to US\$194 million, a growth of 21% in local currency excluding acquisitions and disposals. Poland, the Group's largest market in Europe, generated revenue of PLN772 million (US\$200 million) for the year, up 8% (5% in local currency, excluding acquisitions and disposals) despite a severe second Covid-19 wave and unfavourable macro-economic conditions in the autos segment. The Group expects the European business to continue to expand transactional models, accelerate pay-and-ship services across the region and develop the car-trading business in Poland. The transactions business, formed after the merger of FCG, continued its strong momentum despite major disruptions at inspection centres across its markets. Transactions grew strongly in the second half as lockdown restrictions were relaxed. In the second half, 63,000 cars were sold, despite only 85% of inspection centres being operational on average, compared to 37,000 cars sold in the first half in the Group's key markets in Latin America, India and Indonesia. In total, transactions revenue grew 59% (27% in local currency, excluding acquisitions and disposals) to US\$625 million for FY 2021. This reflects second-half growth of 61% in local currency, excluding acquisitions and disposals, compared to a decline of 23% in the first half when inspection centres were largely closed.

Revenue in the Payments and Fintech business increased by US\$149 million, or 35%, from US\$428 million in the year ended 31 March 2020 to US\$577 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, revenue grew by 36%. PayU continues to benefit across its markets from the shift in consumer behaviour to transacting online, and small- and medium-sized enterprises digitising their business models. TPV was US\$55 billion, up 45% (51% in local currency, excluding acquisitions and disposals), supported by a 38% increase in number of transactions. The Group's Global Payments Operations (**GPO**), mainly in Europe and Latin America, maintained the accelerated growth rates of the first half, as consumer preferences remained online and local regulations supported digital purchases. GPO processed volumes grew 54% (51% in local currency, excluding acquisitions and disposals) to US\$28 billion, driven by a 51% increase in transactions processed. The acquisition of Iyzico in December 2019 has strengthened the Group's position in Turkey, with volumes in the region doubling over the year. India, the Group's largest market, was affected in the first quarter by the country's severe lockdown restrictions. These led to a halt in the travel and hospitality sector and major supply-chain disruptions. India's TPV increased by 24% in the first half. As regulations eased and digital payments adoption increased, the business recovered strongly and TPV grew 59% in the second half. This was supported by higher online transactions in ecommerce and a decline in cash-on-delivery, both positive trends for the business long term. Additionally, diversifying into resilient segments like financial services, education and bill payments offset the decline in the travel and hospitality segment. After a strong second half, TPV grew 37% (42% in local currency, excluding acquisitions and

disposals) to US\$27 billion. This saw the business more than double transaction volumes from US\$12 billion in FY 2018, despite challenging circumstances, through innovation and revenue diversification.

Revenue in the Food Delivery business increased by US\$735 million, or 98%, from US\$751 million in the year ended 31 March 2020 to US\$1,486 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, revenue grew by 127%. Despite operational challenges presented by the Covid-19 pandemic, the segment recorded rapid growth in most portfolio companies, except India. In India, government-imposed lockdowns had a large impact on the business initially, although it steadily recovered to the end of the year. Importantly, the Group's portfolio companies gained scale during the year and the Group believes post-pandemic prospects for on-demand food delivery remain positive worldwide. The segment's 1P logistics-enabled delivery continued to grow strongly and significantly faster than the 3P offering, justifying its investment to build the 1P service. iFood's 1P orders in Brazil accounted for 35% of total orders and exceeded the combined volumes of its competitors. Similarly, Delivery Hero shifted its business models to 1P and increased 1P share in total deliveries to 61% (+24pp year-on-year). iFood maintained its strong position in food delivery in Brazil, with a growing presence in Colombia. Revenues grew 134% (205% in local currency, excluding acquisitions and disposals) year-on-year, driven by increased customer engagement, higher order frequencies and expansion into loyalty programmes. For the year, iFood's restaurant base expanded by 73%, with 284,000 enabled restaurants now on the platform. Delivery Hero maintained its strong presence in 50 markets globally. For the year ended 31 December 2020, it reported order growth of 96% and GMV growth of 66% to €12.4 billion. Total segment revenue growth was strong at 95% to €2.8 billion. The Group's share of Delivery Hero's revenues was US\$615 million. By the end of 2020, Delivery Hero achieved its goal to operate over 400 small Delivery Hero-owned warehouses in strategically relevant locations for delivery (**Dmarts**). It now operates 603 Dmarts across the world, catering to evolving customer needs with an increased focus on convenience and speed of delivery. In March 2021, Delivery Hero closed the transaction on Woowa Brothers Corp. (**Woowa**). Woowa operates the largest online food delivery platform in South Korea and, in 2020, processed 729 million orders (+75%) and generated GMV of €11.6 billion. While the pandemic accelerated the shift to online across the board, government-imposed lockdowns and restrictions in India led to different dynamics, with some setbacks for Swiggy. At the onset of the pandemic, restrictions diminished restaurant supply, restaurant workers and delivery partners and led to supply-chain disruptions. To navigate the new operating environment, Swiggy reduced overhead costs and reactivated users through various promotions. After restrictions eased during the year, the market gradually recovered. GMV was at 100% of pre-Covid-19 levels by December 2020 as compared to when Covid-19 first appeared earlier in the year. Swiggy's revenue contribution grew a modest 2% (3% in local currency, excluding acquisitions and disposals).

Revenue in the Etail business increased by US\$887 million, or 65%, from US\$1,363 million in the year ended 31 March 2020 to US\$2,250 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, revenue grew by 54%. eMAG in Romania, Hungary and Bulgaria adapted well to the pandemic. They continued to give consumers best-in-class convenience, selection and value, while prioritising the safety of the Group's customers and people. Revenue grew 65% (54% in local currency, excluding acquisitions and disposals) to US\$2.2 billion. This was driven by record GMV of US\$2.7 billion, or 61% (52% in local currency, excluding acquisitions and disposals) year-on-year growth. As the business continued to benefit from changing consumer trends as a result of the Covid-19 pandemic, revenue grew 84% (69% in local currency, excluding acquisitions and disposals). eMAG reported 53% (45% in local currency, excluding acquisitions and disposals) revenue growth in the second half. During the year, both 1P and 3P sales accelerated, and the continued expansion of the 3P business broadened the product offering for customers.

The travel business reported revenue of US\$146 million in the year ended 31 March 2020. FY 2020 includes eight months of revenue for MakeMyTrip, representing the Group's share of its revenue for the period up to disposal and a catch-up of the lag period applied in reporting its results. After the Trip.com transaction, the Group's travel segment ceased to exist and is no longer reported on after FY 2020.

The other Ecommerce businesses primarily comprised the Movable mobile content business, the investments in the Ventures associates and the Buscapé online-comparison shopping business (the Group's interest in which was sold on 23 October 2019). Revenue in the other Ecommerce businesses increased by US\$21 million, or 7%, from US\$297 million in the year ended 31 March 2020 to US\$318 million in the year ended 31 March

2021. In local currency, excluding acquisitions and disposals, revenue grew by 34%. Movable's mobile content business in Brazil recorded revenue growth of 26% in local currency, excluding acquisitions and disposals. The Ventures associates business saw positive revenue growth of 54% in local currency, excluding acquisitions and disposals, primarily as a result of the performance of the edtech sector businesses, in particular Udemy Inc. (**Udemy**) and the BYJU'S app. The results for the current period do not include revenue of the Group's online comparison shopping business following its disposal in FY 2020.

#### *Social and Internet Platforms segmental revenue*

On an economic-interest basis, total revenue from the Social and Internet Platforms segment increased by US\$5,337 million, or 31%, from US\$17,189 million in the year ended 31 March 2020 to US\$22,526 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, revenue grew by 28% during the period.

The Group's share of Tencent's revenue grew from US\$16,779 million in the year ended 31 March 2020 to US\$22,155 million in the year ended 31 March 2021. In local currency, the Group's share of Tencent's revenue grew by 28% during the period. For the year ended 31 December 2020, Tencent's revenue of RMB482 billion was up 28% year-on-year. Revenues from value-added services increased 32% to RMB264 billion, with online games revenues growing 36% to RMB156 billion and social networks revenues rising 27% to RMB108 billion. Revenues from fintech and business services increased 26% to RMB128 billion, and revenues from the online advertising business rose 20% to RMB82 billion. Tencent continued to lead in China, with ten of the top 20 mobile apps. Combined MAU of Weixin and WeChat increased 5% to 1.23 billion. The Weixin mini program ecosystem became increasingly vibrant, with daily active users (**DAU**) passing the 400 million mark and annual transaction volume more than doubling. QQ<sup>11</sup> increased stickiness among young users by enriching interactive experience, and catering to their entertainment and online learning needs. Tencent extended its domestic game-industry leadership, with six of the top 10 mobile games by DAU. It also strengthened its global leadership in online games via self-developed franchises and IP (intellectual property) collaboration with partners and investee companies. International games revenues rose to 25% of total online games revenues in the fourth quarter of 2020. Tencent's mobile payment platform maintained its leadership in China. It continued to grow with more daily active consumers and increasing adoption in verticals, including retail, public services and groceries. Tencent has been working closely with regulators and industry partners to continue delivering compliant fintech products. Aggregated customer assets under wealth management services grew strongly year-on-year. Despite the challenging economic environment, Tencent achieved robust advertising revenue growth by progressively integrating its advertising platforms and expanding its mobile ad network. Registered subscriptions for value-added services grew 22% year-on-year to 220 million. Tencent retained its leadership in long-form video, with 123 million subscriptions. Tencent has been working relentlessly to facilitate the structural shift to remote working via product innovation. Tencent Meeting has become the largest standalone app for cloud conferencing in China, and its new enterprise version adopted by the energy, healthcare and education industries. WeCom, the enterprise version of Weixin, has become an integral communications tool for remote workplaces, serving over 5.5 million enterprise customers to connect them internally and to over 400 million Weixin users. Tencent will continue to focus on user value, harnessing the power of technology to develop innovative products and services and create value for all stakeholders.

The Group's share of Mail.ru's revenue declined from US\$410 million in the year ended 31 March 2020 to US\$371 million in the year ended 31 March 2021. In local currency, the Group's share of Mail.ru's revenue grew by 21% during the period. For the year ended 31 December 2020, Mail.ru's revenues grew 21% to RUB107 billion. Mail.ru reached 95% of Russia's internet users across its platforms. It continued to innovate and expand into new areas including ecommerce, mobility, food delivery, fintech, cloud and AI. VK maintained its leadership in the domestic social media, with MAU increasing 5% to 73.4 million, driven by continuous product innovation such as VK Mini Apps and VK Connect. Mail.ru extended its domestic game-industry leadership, with solid performances in established and newly acquired titles. It also strengthened its global expansion, with international revenues accounting for 75% of online games revenue. The O2O (online-

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<sup>11</sup> QQ is one of Tencent's communication and social services that allows users to send and receive instant messages and interact in the QQ community.

to-offline) joint venture with Sberbank recorded strong growth in ready-to-eat food delivery, grocery and ride-sharing verticals. Driven by continuous improvement in logistics and customer service, AliExpress Russia continued to scale, with MAU reaching 29 million as of 31 December 2021. Looking ahead, Mail.ru will continue to transition its strong and well-diversified product portfolio and partnerships into a broader internet ecosystem via cross-selling and deeper integration.

## ***Operating Expenses***

### *Costs of Providing Services and Sale of Goods*

The costs of providing services and sale of goods increased by US\$1,278 million, or 59%, from US\$2,177 million for the year ended 31 March 2020 to US\$3,455 million for the year ended 31 March 2021. Costs of providing services and sales of goods as a percentage of revenue increased from 65% in the year ended 31 March 2020 to 68% in the year ended 31 March 2021.

Platform/website hosting, warehousing costs and costs of goods sold on those platforms increased by US\$972 million, from US\$1,626 million in the year ended 31 March 2020 to US\$2,598 million in the year ended 31 March 2021. This increase primarily related to eMAG, in particular Romania and Hungary, which broadened its product offerings due to the Covid-19 pandemic tailwinds resulting in increased cost of goods sold and platform and warehousing costs in support of the sales initiatives. In addition, website hosting costs in the Classifieds business increased following the acquisition of the Frontier Car Group Inc. (FCG) and expansion of the autos business further resulting in additional costs of goods sold in respect of autos. iFood in the Group's Food Delivery segment undertook activities to improve its platform and website to enhance its offering and customer and merchant experience in response to increased demand on the back of the Covid-19 pandemic.

Delivery service costs nearly doubled from US\$196 million in the year ended 31 March 2020 to US\$390 million in the year ended 31 March 2021. This increase primarily related to logistics costs in the Etail and Food Delivery segments on the back of increased GMV of 61% and 64%, respectively.

Payment facilitation transaction costs increased by US\$121 million from US\$258 million in the year ended 31 March 2020 to US\$379 million in the year ended 31 March 2021. The increase primarily related to the Payments and Fintech business, particularly in India, where the increased transaction volumes with merchants resulted in increased transaction processing costs. In addition, following the growth in the Food Delivery business, payments facilitation costs increased accordingly.

Marketing costs targeted to specific advertising campaigns to promote services and products decreased by US\$3 million from US\$88 million in the year ended 31 March 2020 to US\$85 million in the year ended 31 March 2021. These costs were primarily incurred by iFood, who scaled back its marketing initiatives during the pandemic, in support of expanding its existing offerings to customers and merchants.

### *Selling, General and Administrative Costs*

Selling, general and administrative costs increased by US\$852 million, or 48%, from US\$1,762 million in the year ended 31 March 2020 to US\$2,614 million in the year ended 31 March 2021. Selling, general and administrative costs as a percentage of revenue decreased from 53% in the year ended 31 March 2020 to 51% in the year ended 31 March 2021.

General business, brand advertising and marketing costs increased by US\$18 million from US\$218 million in the year ended 31 March 2020 to US\$236 million in the year ended 31 March 2021, primarily due to the Group's etail businesses partially offset by the disposal of its online-comparison shopping business during the year. Certain businesses scaled back on marketing within the Classifieds segment, while others in the Payments and Fintech business, specifically in India, increased their marketing spend in pursuit of their strategic growth objectives. In addition, with the merger of eMAG Hungary and Extreme Digital's operations, marketing costs in the etail segment increased.

Staff costs increased by US\$710 million, or 67%, from US\$1,053 million in the year ended 31 March 2020 to US\$1,763 million in the year ended 31 March 2021, primarily due to an increase in permanent staff to support the rapid pace of business expansion as well as increased salaries, wages and bonuses resulting from annual increases. Further, share-based compensation costs further contributed to this increase. Total permanent staff increased from 20,524 at 31 March 2020 to 23,874 at 31 March 2021. Staff increased particularly in Payments and Fintech as the business builds out its offerings as well as through acquisitions. In addition, iFood increased staffing as the business continues to scale and includes those employees supporting first-party initiatives as this part of the business continues to expand. The Classifieds and Etail segments also increased their headcount as the businesses expanded, particularly autos in Classifieds. Retention option expenses remained flat for the year at US\$62 million compared to US\$61 million in the prior period. Share-based compensation costs increased by US\$578 million due to changes in valuation assumptions, including share prices and volatility, as well as the impacts of allocations made and vesting of options. The increased share-based compensation costs were mainly due to the growth in the valuation of the ecommerce portfolio from US\$22.1 billion at 31 March 2020 to US\$ 39.1 billion at 31 March 2021. The valuation includes an amalgamation of the fair market values of substantially all the unlisted ecommerce subsidiaries, associates and other equity investments included in the Group's Ecommerce segment for purposes of its individual share-appreciation right schemes, which are valued annually by an independent external valuer, as well as the fair market values of listed ecommerce associates and other equity investments included in the Group's Ecommerce segment based on the listed share price and the ownership percentage. See note 42 of the Annual Financial Statements. In determining the valuations for unlisted businesses, the valuer uses various valuation methods, including, without limitation, the use of comparable peer multiples, precedent transactions and discounted cash flow methodologies. Total invested capital at 31 March 2021 in the Group's Ecommerce portfolio (net of dividends received) is approximately US\$16 billion yielding an internal rate of return of approximately 21% through such date.

#### *Depreciation and Amortisation*

Depreciation and amortisation in selling, general and administration expenses increased by US\$48 million, or 26%, from US\$183 million in the year ended 31 March 2020 to US\$231 million in the year ended 31 March 2021.

Depreciation and amortisation as a percentage of revenue decreased to 5% in the year ended 31 March 2020, compared to 6% in the year ended 31 March 2020. Amortisation expenses for other intangible assets increased by US\$35 million, or 34%, from US\$103 million in the year ended 31 March 2020 to US\$138 million for the year ended 31 March 2021. Depreciation expenses increased by US\$13 million, or 16%, from US\$80 million in the year ended 31 March 2020 to US\$93 million in the year ended 31 March 2021. The increase in depreciation expenses primarily related to the acquisitions of property, plant and equipment, notably computer and office equipment, following growth in the Group's Classifieds, Food Delivery and Etail businesses. Amortisation increased on the back of acquired intangible assets related to business combinations.

#### *Other Gains/(Losses)—Net*

Other gains/(losses)—net amounted to a net loss of US\$87 million in the year ended 31 March 2021 compared to a net gain of US\$16 million in the year ended 31 March 2020. Other gains/(losses)—net in the year ended 31 March 2020 related primarily to a gain realised on the loss of significant influence in associated companies. Other gains/(losses)—net in the year ended 31 March 2021 related primarily to the impairment of goodwill of US\$68 million. The 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 lagged behind management's expectations. In addition, other gains/(losses)—net in the year ended 31 March 2020 also included an amount of US\$13 million related to Covid-19 donations.

## Operating Loss

Operating loss increased by US\$447 million, or 75%, from a loss of US\$593 million in the year ended 31 March 2020 to a loss of US\$1,040 million in the year ended 31 March 2021. This was a result of the combined effects of the factors described above.

## Trading Profit

The following table and discussion sets out the Group's segmental trading profit on an economic-interest basis for the periods indicated. For further information, see "Important Information—Presentation of Financial and Other Information".

	Fiscal Year		Growth in local currency <sup>(2)</sup>
	2021	2020 <sup>(1)</sup>	
<i>(US\$ in millions, except %s)</i>			
<b>Segmental trading profit from continuing operations (economic interest)</b>			
<b>Ecommerce comprising:</b>			
—Classifieds .....	9	34	(14)%
—Payments and Fintech.....	(68)	(67)	6%
—Food Delivery.....	(355)	(624)	42%
—Etail .....	68	(20)	758%
—Travel <sup>(3)</sup> .....	—	(22)	(100)%
—Other and eliminations .....	(83)	(83)	(16)%
<b>Total Ecommerce.....</b>	<b>(429)</b>	<b>(782)</b>	<b>46%</b>
<b>Social and Internet Platforms comprising:</b>			
—Tencent.....	6,126	4,601	29%
—Mail.ru.....	28	98	(22)%
<b>Total Social and Internet Platforms .....</b>	<b>6,154</b>	<b>4,699</b>	<b>29%</b>
Corporate services .....	(110)	(140)	21%
<b>Total segmental trading profit (economic interest) .....</b>	<b>5,615</b>	<b>3,777</b>	<b>44%</b>

- (1) During the current year, the way that corporate costs are presented to the CODM has been changed. Corporate costs, previously allocated and disclosed in the Other ecommerce sub-segment, are now included in the Corporate services segment. This provides more clarity on the total corporate costs incurred by the Group. This change had no impact on the overall Group trading profit. The change in presentation was adopted retrospectively and the results of the year ended 31 March 2020 have been restated.
- (2) Represents change in local currency, excluding acquisitions and disposals. See "Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs" for more information.
- (3) For FY 2020, includes eight months of results for MakeMyTrip, representing the Group's share of its results for the period up to disposal and a catch-up of the lag period applied in reporting its results. After the Trip.com transaction, the Group's travel segment ceased to exist and is no longer reported on after FY 2020.

## Ecommerce segmental trading profit

Total trading loss in the Ecommerce segment on an economic-interest basis decreased by US\$353 million, or 45%, from US\$782 million in the year ended 31 March 2020 to US\$429 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, total trading loss in the Ecommerce segment decreased by 46%. Various currency strengths relative to the U.S. Dollar increased U.S. Dollar reported trading loss by US\$20 million, or 3%. The Group's associate and joint venture investments contributed US\$376 million to Ecommerce trading losses in the year ended 31 March 2021, compared to US\$501 million in the year ended 31 March 2020. The reduced contribution reflects the improvement in profitability from Swiggy, which reported lower trading losses, as well as various associates in the Payments and Fintech segment. These reduced losses were partially offset by the inclusion of trading losses from OfferUp and



EMPG, which are included in the results for the first time in FY 2021, as well as increased trading losses from Delivery Hero.

The decrease in the trading loss during the period was primarily driven by the improvement in profitability from the Group's food delivery and etail sector businesses.

The trading profit in the Classifieds business decreased by US\$25 million, or 74%, from a trading profit of US\$34 million in the year ended 31 March 2020 to a trading profit of US\$9 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, trading profit decreased by 14%. Trading profits in the Classifieds business decreased from the prior year as the segment continued to develop and invest in products and solutions that provide a more efficient marketplace for its customers and drive long-term growth. Marketing investment also increased year-on-year, particularly in the second half when it steadily ramped up to aid the strong recovery and capitalise on market opportunities in some of the Group's businesses. This resulted in a 2% drop in trading margin from the prior year. In Russia, Avito continued to invest in enhancing trust and safety across the platform and in building a customer-centric ecosystem. Trading profit remained strong but decreased by 16% (3% in local currency, excluding acquisitions and disposals) year-on-year. Trading margins were also strong, but declined to 40% from 51% in the prior year, reflecting the noted investments and increased marketing to reactivate growth after initial lockdowns. In Europe, the region delivered a healthy trading profit margin of 32%, compared to 43% in the prior year, after investment in its transactional adjacent footprint including the acquisition of KIWI Finance, a mortgage broker in Romania; Carsmile, a car-leasing provider in Poland; and Obido, a real-estate platform for the primary market in Poland.

The trading loss in the Payments and Fintech segment remained stable at US\$68 million in the year ended 31 March 2021 compared to US\$67 million in the year ended 31 March 2020, reflecting an increase of 1%. In local currency, excluding acquisitions and disposals, trading losses decreased by 6%. Increased profitability from the payments service provider (**PSP**) business partially offset continued investment in the credit business. Trading profit in the core PSP business grew 150% (150% in local currency, excluding acquisitions and disposals) to US\$15 million.

The trading loss in the Food Delivery segment decreased by US\$269 million, or 43%, from US\$624 million in the year ended 31 March 2020 to US\$355 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, trading losses decreased by 42%. This reflects the business benefiting significantly from scale efficiencies.

The Travel segment reported a trading loss of US\$22 million in the year ended 31 March 2020. FY 2020 includes eight months of results for MakeMyTrip, representing the Group's share of its results for the period up to disposal and a catch-up of the lag period applied in reporting its results. After the Trip.com transaction, the Group's Travel segment ceased to exist and is no longer reported on after FY 2020.

The Etail segment recorded a trading loss of US\$20 million in the year ended 31 March 2020 compared to a trading profit of US\$68 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, trading losses decreased by 658%. This growth was underpinned by the performance of eMAG Romania, Hungary and Bulgaria.

The other Ecommerce businesses primarily comprised the Movable mobile content business, the investments in the Ventures associates and the Buscapé online-comparison shopping business (the Group's interest in which was sold on 23 October 2019). The trading loss in the other Ecommerce businesses remained flat at US\$83 million for the years ended 31 March 2020 and 2021. In local currency, excluding acquisitions and disposals, trading losses increased by 16%. Movable's trading losses increased in local currency, excluding acquisitions and disposals, due to the impact of the Covid-19 pandemic on certain businesses, specifically events ticketing. The Ventures associates business's trading losses decreased by 2% in local currency, excluding acquisitions and disposals, which was primarily due to improved performance by the edtech sector associates in the year ended 31 March 2021. The results for the current period do not include trading losses of the Group's online-comparison shopping business following its disposal in FY 2020.

For further information and a reconciliation of trading profit to the nearest IFRS measure, see "*Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs*", "*Selected Financial and Other Information—Non-IFRS Financial Measures and APMs*" and "*Selected Financial and Other Information—Segmental Data*".

#### *Social and Internet Platforms segmental trading profit*

Trading profit in the Social and Internet Platforms segment increased by US\$1,455 million, or 31%, from US\$4,699 million in the year ended 31 March 2020 to US\$6,154 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, trading profit grew by 29% during the period.

Tencent's revenue growth resulted in the Group's share of its trading profit growing by 33% from US\$4,601 million in the year ended 31 March 2020 to US\$6,126 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, the Group's share in Tencent's trading profit grew by 29% during the period. For the year ended 31 December 2020, Tencent's non-IFRS profit attributable to shareholders (Tencent's measure of normalised performance) reached RMB123 billion, an increase of 30% compared to the previous year. This increase was primarily due to increased revenues.

Mail.ru's revenue growth resulted in the Group's share of its trading profit decreasing by US\$70 million from US\$98 million in the year ended 31 March 2020 to US\$28 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, the Group's share of Mail.ru's trading profit decreased by 22% during the period. The improvement in revenues was offset by increased investments in VKontakte and Odnoklassniki ecosystems to accelerate growth.

#### ***Finance Income/(Costs), Net***

Net finance income decreased by US\$41 million from an income of US\$39 million in the year ended 31 March 2020 to a finance cost of US\$2 million in the year ended 31 March 2021. Net interest expense increased by US\$157 million from US\$22 million in the year ended 31 March 2020 to US\$179 million in the year ended 31 March 2021. Interest expense increased by US\$39 million, or 17%, from US\$223 million in the year ended 31 March 2020 to US\$262 million in the year ended 31 March 2021, as a result of the issuance of new publicly traded bonds during the current period. Interest income decreased by US\$118 million, or 59%, from US\$201 million in the year ended 31 March 2020 to US\$83 million in the year ended 31 March 2021, due to a drop in U.S. Dollar interest rates and lower average cash balances. Interest expense relates primarily to interest on the publicly traded bonds. Interest income includes interest earned on bank accounts and short-term investments.

Other finance income increased from US\$61 million for the year ended 31 March 2020 to US\$177 million for the year ended 31 March 2021. Foreign exchange differences related to the foreign exchange impacts on the translation of assets and liabilities as well as the fair value of derivative instruments, which include forward exchange contracts, derivatives embedded in lease agreements, and the cross-currency interest rate swap accounted for the increase in other finance income.

Effective 1 April 2020, the Group made a voluntary change to its accounting policy on the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of put option liabilities were previously recognised other finance income/(costs)—net and are now recognised through equity. The Group adopted this change in accounting policy retrospectively, and other finance income for the year ended 31 March 2020 was restated accordingly. Refer to note 2(w) of the Annual Financial Statements for further details.

#### ***Share of Equity-Accounted Results***

The Group's equity-accounted results in equity-accounted companies increased by US\$3,165 million, or 81%, from US\$3,930 million in the year ended 31 March 2020 to US\$7,095 million in the year ended 31 March 2021. This growth was driven by Tencent and Swiggy, which reported improved profitability during the period. This was partially offset by reduced profitability of Mail.ru and Delivery Hero, whose results were

impacted by the acquisition of investments during the period. In addition, the inclusion of EMPG and OfferUp for the first time in the current period also negatively affected the equity-accounted results as they are loss making. The equity accounted results include investment disposal gains of US\$1.1 billion, impairment losses of US\$968 million and net fair value gains on financial instruments of US\$2.5 billion.

The Group's equity-accounted results in Tencent increased by US\$3,978 million, or 95%, from US\$4,178 million in the year ended 31 March 2020 to US\$8,156 million in the year ended 31 March 2021.

The Group's equity-accounted results in Mail.ru decreased by US\$102 million from US\$48 million profit in the year ended 31 March 2020 to US\$54 million loss in the year ended 31 March 2021.

The Group's equity-accounted results in Delivery Hero decreased by US\$842 million from US\$76 million profit in the year ended 31 March 2020 to US\$766 million loss in the year ended 31 March 2021. The decrease primarily related to the recognition of an impairment of goodwill in its Korean business, immediately following the acquisition thereof.

### ***Dilution gains/(losses) on Equity-Accounted Investments***

Dilution gains of US\$1,000 million were recorded during the year ended 31 March 2021 compared to dilution losses of US\$52 million in the year ended 31 March 2020. The dilution losses in the year ended 31 March 2021 comprised dilutions mainly related to Tencent (US\$20 million) which arose from shares issued by share incentive schemes of equity-accounted investments to their employees which resulted in the dilution of the Group's interest in these equity-accounted investments. These dilution losses were offset by dilution gains related to Delivery Hero (US\$839 million) arising on their Woowa transaction as well as on BYJU'S (US\$65 million), Similarweb (US\$19 million) and Swiggy (US\$17 million).

### ***Net gains on Acquisitions and Disposals***

Gains on acquisitions and disposals of US\$309 million were recognised in the year ended 31 March 2021, compared to US\$434 million in the year ended 31 March 2020. In the year ended 31 March 2021, a profit on the sale of investments and businesses of US\$359 million was recognised, related primarily to the contribution of the Group's Dubizzle business in exchange for an interest in EMPG (US\$114 million gain); the contribution of the Group's letgo business in exchange for an interest in OfferUp (US\$115 million gain); the contribution of the Group's Wavy business in exchange for an investment in Sinch (US\$101 million gain); the contribution of iFood Columbia for an investment in Come Ya (US\$19 million gain); as well as various other smaller disposals.

No gains on loss of control transactions were recognised in the year ended 31 March 2021. A gain of US\$17 million was recognised in the year ended 31 March 2020, which related to the Group's investment in In Loco, where the Group did not participate in a funding round resulting in its losing control of the investment.

Acquisition and disposal-related costs decreased from US\$103 million in the year ended 31 March 2020 to US\$51 million in the year ended 31 March 2021. The decrease primarily relates to the prior year stamp duties incurred in Hong Kong to restructure MIH Ming He Holdings Limited as part of the Group's reorganisation pursuant to the listing of the company as well as transaction costs incurred in respect thereof.

### ***Taxation***

A tax credit of US\$67 million was recognised in the year ended 31 March 2021, compared to a tax expense of US\$75 million in the year ended 31 March 2020. Current tax expense decreased by US\$154 million, primarily due to the receipt of a once-off tax receivable amount of US\$171 million related to a disposal of a business in 2019. This was partly offset by the improved profitability of certain of the businesses, in particular in the Payments and Fintech businesses. In addition, deferred tax income decreased by US\$12 million from US\$27 million in the year ended 31 March 2020 to US\$15 million in the year ended 31 March 2021. The balance primarily relates to Classified's Avito and the Autos business, which reduced their deferred tax liabilities.

### ***Profit for the year***

As a result of the foregoing factors, net profit from operations increased by US\$3,737 million, or 102%, from US\$3,662 million during the year ended 31 March 2020 to US\$7,399 million in the year ended 31 March 2021.

### ***Core Headline Earnings***

Core headline earnings increased by US\$1,502 million, or 45%, from US\$3,357 million during the year ended 31 March 2020 to US\$4,859 million in the year ended 31 March 2021. In local currency, excluding acquisitions and disposals, core headline earnings increased by 39%. The increase was primarily due to the contribution of Tencent, partially offset by increased investment in Food Delivery. For further information and a reconciliation of core headline earnings, see "*Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs*" and "*Selected Financial and Other Information—Non-IFRS Financial Measures and APMs*".

### ***Non-Controlling Interests***

Net losses attributable to non-controlling interests decreased by US\$59 million from a loss of US\$109 million in the year ended 31 March 2020 to a loss of US\$50 million in the year ended 31 March 2021. Losses attributable to non-controlling interests primarily relate to iFood (US\$32 million loss), FCG (US\$13 million loss) and eMAG (US\$10 million loss) and various other investments. These losses were partially offset by profits attributable to various non-controlling interests.

### ***Liquidity and Capital Resources***

The Group's business and growth strategy has in the past required substantial liquidity to fund some of its acquisitions, its expansion of services, capital expenditures and working capital requirements in all of the Group's businesses. The Group's working capital requirements are generally moderate and mainly driven by payables and receivables. Some of its Ecommerce businesses may also require additional working capital as their business models require investments in inventory. The Group's principal sources of liquidity have been the cash flows from the Group's operating activities, dividends from the Group's equity investments, disposals of certain equity holdings, issuance of bonds and borrowings under the Group's credit facilities. Dividends from its equity investments amounted to US\$458 million in the year ended 31 March 2021, compared to US\$377 million in the year ended 31 March 2020. The Group's liquidity requirements arise primarily to meet its debt service obligations and to fund capital expenditures, the growth of its existing Ecommerce businesses and any potential new acquisitions.

The Company relies upon distributions from its subsidiaries, associated companies, joint ventures and other investments to generate the funds necessary to meet its obligations and other cash flow requirements. The Company's ability to utilise the cash flows from some of its subsidiaries, joint ventures and associated companies is subject, in some countries, to foreign investment and exchange control laws and also the availability of sufficient liquidity of foreign exchange.

Historically, the Group's operations have been funded in various ways. The Ecommerce businesses of the Group are primarily funded out of cash flow generated from the equity investee dividends, proceeds from investment disposals and drawings on the Group's banking facilities. Acquisitions for the Group's Ecommerce business have largely been funded from proceeds from investment disposals and drawings on the Group's banking facilities. The Group expects certain of its businesses, in particular the Group's Etail, online Classifieds, Payments and Fintech and Food Delivery and related Ecommerce businesses, to require further funding in the foreseeable future.

On 23 November 2020, the Group announced the launch of an on-market Prosus Ordinary Shares N repurchase programme of up to US\$1.37 billion from its free-float shareholders and an on-market Naspers N Ordinary Shares purchase programme of up to US\$3.63 billion. The purpose of this programme is to reduce the current discount of Prosus's share price to Prosus's net asset value over time. Between 24 November 2020 and 19

February 2021, the Company repurchased 11,874,493 of its own Prosus Ordinary Shares N. The acquired Prosus Ordinary Shares N will be cancelled following shareholder approval thereof. Further, as part of the share repurchase programme, as of 31 March 2021, the Group acquired US\$2.4 billion Naspers N Ordinary Shares. These shares are accounted for as an investment at fair value through other comprehensive income. In addition, subsequent purchases of 1,802,777 Naspers N Ordinary Shares were acquired for US\$428.1 million between April and May 2021. In connection with the Exchange Offer, Prosus has announced that the Board may authorise Prosus to repurchase up to US\$5 billion of Prosus Ordinary Shares N post implementation of the Exchange Offer.

On 12 May 2021, the Group announced the Exchange Offer, through which the Company intends to acquire c. 45.33% of the issued Naspers N Ordinary Shares. Following the completion of the Exchange Offer, provided that the Minimum Acceptance Condition is reached (which will be equal to the maximum number of shares Prosus will accept), it is expected that after the Transaction the free-float shareholders of the Company will own approximately 42.8% of the issued Prosus Ordinary Shares N and 59.7% of the economics in the Group's underlying businesses after including the Company's 49.5% interest in Naspers. The purpose of the Exchange Offer is to unlock value for both Naspers and Prosus shareholders, by solving Naspers's outsized weighting on the JSE, increasing the size of Prosus and more than doubling Prosus's free-float shareholders' economic interest.

As of 31 March 2021, the Group had cash and cash equivalents of US\$4,773 million (including short-term investments of US\$1,211 million) and undrawn available credit facilities of US\$2,593 million. The Group's ownership stakes in Tencent, Mail.ru, Delivery Hero and Trip.com, all publicly listed companies with a liquid secondary market free-float, provide it with further financial flexibility. A sale of a portion of the Group's holdings would be sufficient to cover its debt obligations. In April 2021, the Group disposed of approximately 2% of its interest in Tencent's total issued share capital for a cash consideration of US\$14.6 billion. The sale reduced the Group's stake in Tencent from approximately 30.9% to 28.9%. The Group intends to use the proceeds of the sale to increase the Group's financial flexibility to invest in growth as well as for general corporate purposes.

As of 31 March 2021, the Group had total debt, including bank overdrafts, of US\$8,192 million, and the aggregate market value of its interests in Tencent, Mail.ru, Delivery Hero, Trip.com, Sinch and Naspers was US\$244,654 million (based on exchange rates of US\$1 to HK\$7.7741, €0.8525, SEK8.7297 and ZAR14.7768 as at 31 March 2021), representing a gross debt to value of marketable securities ratio of 3.4%.

### **Cash Flows**

The following table summarises the Group's cash flows for the periods indicated. For a more complete summary of statement of cash flows, see "*Selected Financial and Other Information—Summary Statement of Cash Flows*".

	<b>Fiscal Year</b>	
	<b>2021</b>	<b>2020</b>
	<i>(US\$ in millions)</i>	
Net cash generated from/(utilised in) operating activities.....	159	(209)
Net cash (utilised in)/generated from investing activities .....	(3,218)	2,270
Net cash generated from/(utilised in) financing activities.....	2,450	17
<b>Net movement in cash and cash equivalents .....</b>	<b>(609)</b>	<b>2,078</b>
Foreign exchange translation adjustments on cash and cash equivalents..	22	(37)
Cash and cash equivalents at the beginning of the year .....	4,149	2,127
Cash and cash equivalents classified as held for sale.....	-	(19)
<b>Cash and cash equivalents at the end of the year .....</b>	<b>3,562</b>	<b>4,149</b>

### *Net cash generated from/(utilised in) operating activities*

In the year ended 31 March 2021, the Group generated cash from operating activities of US\$159 million compared to net cash utilised in operating activities of US\$209 million in the year ended 31 March 2020. Cash outflow from operations improved as a result of improved profitability, particularly in its Classifieds and Etail businesses, as well as an increase in dividends received from equity investments, notably Tencent. This was partially offset by decreased interest income from lower cash balances and investments as well as higher interest costs paid on long-term liabilities, in particular the notes issued in August and December 2020 under its Global Medium Term Note Programme.

In the year ended 31 March 2020, net cash utilised in operating activities (including those from discontinued operations) increased to US\$209 million, primarily as a result of increased cash outflows from operations as a result of increased investment in the Food Delivery segment as well as higher interest costs and taxation paid. These outflows were partially offset by increased dividends of US\$382 million received from investments and equity investments, notably Tencent, and increased interest income from higher cash balances and investments held for the full period.

Free cash flow increased from an outflow of US\$338 million in the year ended 31 March 2020 to an inflow of US\$126 million in the year ended 31 March 2021. Improved profitability primarily in the Classifieds and Etail businesses and improvements in working capital management, driven by merchant cash timing differences primarily in the Payments and Fintech and Food Delivery segments positively impacted the Group's free cash flow. Increased dividend income of US\$458 million and reduced transaction costs added further to the free cash inflow.

Free cash flow increased to an outflow of US\$338 million in the year ended 31 March 2020. The increased investment in the Food Delivery business as well as negative working capital effects related primarily to merchant cash timing differences, primarily in the Payments and Fintech and Food Delivery business, as well as transaction costs incurred in respect of the Group's listing, negatively impacted the Group's free cash flow. Further, increased cash-settled share-based payments expenses was partially offset by increased dividend income of US\$377 million from Tencent.

### *Net cash generated from/(utilised in) investing activities*

In the year ended 31 March 2021, net cash from investing activities decreased by US\$5,488 million from cash generated of US\$2,270 million in the year ended 31 March 2020 to cash utilised of US\$3,218 million in the year ended 31 March 2021. This is primarily due to cash paid for shares in Naspers of US\$2,350 million in terms of the share repurchase programme and cash paid of US\$1,322 million for other investments, specifically related to the increased investment in respect of Delivery Hero, in which Prosus acquired approximately 20.37 million shares via market and bilateral trades through its subsidiary, MIH Food Holdings B.V., a transaction which concluded in May 2021. In addition, acquisitions of subsidiaries and businesses, associates and additional investments in existing associates and joint ventures resulted in an additional cash outflow (net of cash acquired) of US\$1,980 million. These related mainly to Delivery Hero (US\$1.3 billion), OfferUp (US\$100 million), EMPG (US\$75 million), Property24 (US\$71 million), Remitly (US\$67 million), Eruditus (US\$60 million), and various other smaller investments under US\$50 million individually. In the year ended 31 March 2021, the Company received proceeds (net of cash disposed) on the disposal of subsidiaries and businesses, associates and joint ventures of US\$241 million, primarily related to the receipt of withholding tax related to the Flipkart disposal in FY 2019 and various other smaller investments. Further, in FY 2021 the Group had a net inflow of US\$2,631 million related to short-term cash investments with maturities of more than three months, compared to a net inflow of US\$3,144 million in the prior period.

In the year ended 31 March 2020, net cash from investing activities increased to cash generated of US\$2,270 million in the year ended 31 March 2020. This is primarily due to a net inflow of US\$3,144 million related to short-term cash investments with maturities of more than three months, compared to a net outflow of US\$6,967 million in the prior period, when these short-term cash investments were first made. In addition, acquisitions of subsidiaries and businesses, associates and additional investments in existing associates and

joint ventures resulted in an additional cash outflow (net of cash acquired) of US\$865 million. These related mainly to FCG (US\$196 million), Swiggy (US\$100 million), PaySense (US\$65 million), Iyzico (US\$106 million), Wibmo (US\$61 million), Meesho (US\$80 million), and various other smaller investments under US\$50 million individually. In the year ended 31 March 2020, the Company received proceeds (net of cash disposed) on the disposal of subsidiaries and businesses, associates and joint ventures of US\$22 million, primarily related to Buscapé and various other smaller investments.

For an overview of the various significant acquisitions and disposals for the years ended 31 March 2021 and 31 March 2020 see note 4 of the Annual Financial Statements.

#### *Net cash generated from/(utilised in) financing activities*

In the year ended 31 March 2021, net cash generated from financing activities increased by US\$2,433 million from net cash generated of US\$17 million in the year ended 31 March 2020 to net cash generated of US\$2,450 million. An inflow of US\$4,390 million was recorded in the year ended 31 March 2021 related to net proceeds from loans (including capitalised leases) and related party funding compared to an inflow of US\$166 million in the year ended 31 March 2020. The inflow primarily relates to the issue of bonds in the amount of US\$4,421 million in August and December 2020. These inflows were partially offset by payments of US\$1,415 million in respect of the share repurchase programme in terms of which the Group acquired the Group's own shares. In addition, in the year ended 31 March 2021, the Group recorded an outflow of US\$270 million, compared to an outflow of US\$64 million in the prior period, related to additional investments in existing subsidiaries where the non-controlling interest was acquired, notably in Movile. Further, in the year ended 31 March 2021 contributions of US\$79 million were made to Naspers share trusts in respect of the Group's share incentive schemes. Dividends of US\$215 million were paid by the Company and its subsidiaries during the year ended 31 March 2021 compared to an outflow of US\$1 million in respect of dividends and US\$215 million in respect of a distribution related to common control transactions in the prior period.

In the year ended 31 March 2020, net cash from financing activities increased to cash generated of US\$17 million in the year ended 31 March 2020. In the year ended 31 March 2020, the Group recorded an outflow of US\$64 million, compared to an outflow of US\$1,607 million in the prior period, related to additional investments in existing subsidiaries where the non-controlling interest was acquired, notably Avito. Further, an inflow of US\$127 million was recorded for 31 March 2020, related to transactions with non-controlling shareholders, compared to an inflow of US\$56 million the prior period, as well as dividends of US\$215 million being paid by the Company and US\$1 million being paid by subsidiaries during the year ended 31 March 2020 compared to an outflow of US\$16 million paid by subsidiaries in the prior period. These positive cash flow movements were partially offset by net repayments of related party funding which decreased by US\$322 million for the period, as the past funding to MultiChoice Africa stopped upon its disposal in September 2018.

At the end of FY 2020 and FY 2021, the Group had cash and cash equivalents of US\$4,181 million and US\$3,571 million, respectively. Cash and cash equivalents excluded short-term investments of US\$3,873 million and US\$1,211 million for FY 2020 and FY 2021, respectively. The Group had available unused overdraft borrowing and credit facilities of US\$2,593 million as at the end of FY 2021.

#### ***Capital Resources***

On 10 April 2018, the Group entered into a five-year Revolving Credit Facility, for its general corporate purposes, with a group of lenders which provides, among other things, for up to US\$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 issuer is the borrower under the Revolving Credit Facility. It is governed by English law and matures on 13 April 2023. In April 2020, the Group exercised the second and final extension option under the Revolving Credit Facility, requesting individual lenders to extend their commitments under the facility to 14 April 2025. All of the lenders under the facility agreed to extend the maturity date of their portion of the Revolving Credit Facility to 14 April 2025. The Revolving Credit Facility bears interest at EURIBOR for borrowings in Euro, or, in every other case,

LIBOR, plus a margin of 1.25% per annum, plus a utilisation margin ranging from 0.125% to 0.5%, depending on the percentage drawn against the facility, and certain mandatory costs, if any, and a commitment margin of 35% of the applicable margin per annum on the lenders' undrawn commitments. The Revolving Credit Facility is subject to certain undertakings concerning debt and interest cover and contains customary affirmative and negative covenants. See "*Business—Material Agreements—The Revolving Credit Facility*".

The Group utilised overdrafts and call loans of US\$9 million and had undrawn banking facilities, principally the Revolving Credit Facility, of US\$2,593 million as at 31 March 2021. Facilities that are on call represented US\$78 million, facilities that will expire within one year represented US\$15 million and facilities that will expire after more than one year represented US\$2,500 million. The Group regularly discusses changes to the terms of the Group's existing facilities and future funding requirements with various financial institutions to ensure that it maintains a good debt maturity and liquidity profile.

### ***Critical Accounting Policies***

The Financial Statements include the financial position, results of operations and cash flows of the Company and its subsidiaries. These financial statements are prepared in conformity with IFRS-EU, which require management to make estimates that affect the reported amounts of assets and liabilities and the reported amounts of income and expenses. The Group evaluates its estimates, including those related to tangible and intangible assets, financial instruments, inventories, provisions, equity-compensation benefits and income taxes, on an ongoing basis. The Group bases its estimates on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. These estimates form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Group believes that the following accounting policies used in preparation of its financial statements prepared in accordance with IFRS-EU are its critical accounting policies as they require management to make estimates that affect the reported amounts of assets and liabilities, and the reported amounts of income and expenses. All of these critical accounting policies have been discussed with the audit committee.

### ***Business Acquisitions***

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 its 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 option arrangements are recognised as employee benefit arrangements and dealt with in terms of the accounting policy for employee or equity-compensation benefits.

The fair value of the underlying net assets acquired in a business acquisition is determined using internal or external valuations. The Group uses a number of valuation methods to determine the fair value of assets and liabilities acquired, including discounted cash flows, external market values and others, and believes that it uses the most appropriate measure or combination of measures to value each asset or liability. In addition, the



Group believes that it uses the most appropriate valuation assumptions underlying each of these valuation methods based on the current information available including discount rates, market risk rates, entity risk rates, cash flow assumptions and others.

The accounting policy for valuations in business combinations is considered critical because the judgements made in determining the estimated fair value and expected useful lives assigned to each class of assets and liabilities acquired can impact the value of the asset or liability, including goodwill and deferred taxes, the respective amortisation periods and ultimately net profit. Therefore, the use of other valuation methods, as well as other assumptions underlying such other valuation methods, could impact the determination of the financial position and results of operations.

### ***Impairments of Assets***

#### *Goodwill*

Goodwill is tested annually for impairment and allocated to cash generating units for the purpose of impairment testing. The Group has allocated goodwill to various cash generating units (CGUs). The goodwill impairment test is performed by comparing the carrying value of the cash generating unit with its recoverable amount. The recoverable amounts of these cash generating units have been determined as the higher of its value in use and its fair value less costs of disposal basis.

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 taking into account the impact of the Covid-19 pandemic. Value in use is based on discounted cash flow calculations. The Group bases cash flow calculations on up to ten-year budgeted and forecast information approved by senior management and/or the various boards of directors of the Company's subsidiaries. The Group's ten-year budgets and forecasts consisted of cash flow projections and included the anticipated impact of the Covid-19 pandemic, which has had a broad impact on the Group, with the restrictions impacting some businesses negatively particularly in the first half of FY 2021 where they were unable to operate and, on the other hand, having a positive impact on some of the Group's other major business operations. The positive impact on some of the Group's major business operations were predominantly from regions where online services and sale of goods was the primary solution for social distancing measures imposed. The impairment loss recognised as at 31 March 2021, therefore, takes into account the impact of the pandemic on the Group and its CGUs, which is the Group's best estimate amidst this current uncertain economic environment.

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, are 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. For certain CGUs, risk adjustments are made to discount rates used when calculating the value in use. Discount rates take into account country risk premiums and inflation differentials as appropriate. 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, and 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 CGUs 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. 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:

- projected revenue and EBITDA growth rates;
- growth rates used to extrapolate cash flows beyond the budget/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.

In the year ended 31 March 2021, the Group recognised impairment losses on goodwill of US\$68 million. The impairment losses related primarily to Silver Indonesia JVCo B.V. and Aasaanjobs Private Limited in the Classifieds business in smaller markets, where results of operations were adversely affected by the Covid-19 pandemic and as such lagged behind management's expectations.

In the year ended 31 March 2020, the Group recognised impairment losses on goodwill of US\$10 million. The 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 lagged behind management's expectations.

#### *Intangible assets*

The Group amortises intangible assets with finite useful lives on a straight-line basis so as to write off the cost of the assets over their expected useful lives. The Group also evaluates the carrying value of the Group's intangible assets whenever indicators of impairment exist.

The Group believes that the accounting estimate relating to intangible asset impairment is critical because it is highly susceptible to change from period to period. Management makes assumptions about future sales volumes and the cost of providing services over the life of the asset as well as discount rates for Ecommerce-based businesses in the relevant market. Recognising an impairment loss could have a material impact on the value of intangible assets reported in the Group's statement of financial position and the results of operations. Management's assumptions about future sales volumes, prices and discount rates involve significant judgement as some of the Group's businesses are in the development phase and consequently actual sales prices and volumes have fluctuated in the past and are expected to continue to do so in the future.

In the year ended 31 March 2021, the Group did not recognise any impairment losses on other intangible assets.

In the year ended 31 March 2020, the Group did not recognise any impairment losses on other intangible assets.

#### *Investments in Associated Companies and Joint Ventures*

Investments in associated companies and joint ventures are accounted for under the equity method. Associated companies are those companies in 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 and in which the parties have rights to the net assets of the arrangement. The Group evaluates the

carrying value of its investments in associated companies and joint ventures for impairment whenever indicators of impairment exist. The recoverable amount of the Group's investments in associated companies and joint ventures is the higher of the investment's fair value less costs of disposal and its value in use. For the Group's investments in listed associated companies, the fair value less costs of disposal generally represents the market price of the shares multiplied by the number of shares held by it. Value in use (and the fair value less costs of disposal of unlisted investments) is determined based on assumptions made by management about expected cash flows, growth rates and discount rates. Recognising an impairment loss could have a material impact on the value of the Group's investments in associated companies and joint ventures as reported in the Group's statement of financial position and the results of operations.

In the year ended 31 March 2021, the Group recognised impairment losses of US\$30 million related to an investment in the Food Delivery segment. The investment was impaired as a decision had been taken to exit that investment. In addition, an impairment of a Ventures business focusing on ride sharing was due to the performance of that business.

In the year ended 31 March 2020, the Group recognised impairment losses of US\$21 million related to investments in the Ventures business focusing on medical research, ride sharing and offline experiences. The investments were impaired due to insufficient progress in refining and improving intellectual property, which formed the core value of each investment, and due to difficulty in attracting customers.

#### *Disposals of associated companies, joint ventures and subsidiaries*

When the Company ceases to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), any retained interest in the entity is remeasured to its fair value, with the change in the carrying amount recognised in profit or loss.

In other instances, deemed disposal gains or losses may arise when the Group contributes controlled businesses to entities over which it has significant influence or over which the Group exerts joint control due to its contribution being remeasured to its fair value (either partially or in full).

This fair value is the initial carrying amount for purposes of subsequent accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity 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 profit or loss.

The fair value of the retained interest is determined using internal or external valuations. The Group uses a number of valuation methods to determine the fair value of the retained interest, including discounted cash flows, external market values and others, and it believes that it uses the most appropriate measure or combination of measures to value each asset or liability. In addition, the Group believes that it uses the most appropriate valuation assumptions underlying each of these valuation methods based on the current information available including discount rates, market risk rates, entity risk rates, cash flow assumptions and others.

The accounting policy for valuing entities disposed of is considered critical because the judgements made in determining the estimated fair value, and accordingly the use of alternative valuation methods and related underlying assumptions, can impact the value of the retained interest in the statement of financial position and results from operations.

#### *Recurring Fair-Value Measurements*

Derivative financial instruments are recorded in the statement of financial position at fair value at each reporting date. The fair values of forward exchange contracts, interest rate swaps and other derivative financial instruments are calculated using inputs other than quoted prices that are observable for the asset or liability,

either directly or indirectly. The fair values of the Group's derivative financial instruments are estimated using discounted cash flow techniques that include unobservable inputs.

Significant judgement is required when calculating the fair value of the Group's derivative financial instruments, and these judgements, and accordingly the use of alternative valuation methods and related underlying assumptions, can impact the value of the derivative instruments in the statement of financial position and the results of operations.

#### *Written Put Option Liabilities*

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. 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.

Effective 1 April 2020, the Group made a voluntary change to its accounting policy regarding the subsequent measurement of written put option arrangements with non-controlling shareholders. Subsequent changes in the carrying value of put option liabilities previously recognised in the income statement in "Other finance income/(costs)—net" are now being recognised through equity. The Group has adopted this change in accounting policy retrospectively. For additional information refer to "*Important Information—Presentation of Financial and Other Information—Voluntary Change in Accounting Policy for the Subsequent Measurement of Written Put Option Liabilities*".

Significant judgement is required when calculating the fair value of the Group's written put option liabilities, and these judgements, and accordingly the use of alternative valuation methods and related underlying assumptions, can impact the value of the written put option liabilities in the statement of financial position.

#### *Provisions Relating to Legal Matters*

The Group is involved in legal disputes that arise in the normal course of its business. The outcome of these legal disputes can have a material impact on the Group's statement of financial position as well as on the results of operations. Management monitors and estimates the potential outcome of legal claims based on objective evidence and consultation with internal and external legal advisers until such time as the matters have been resolved. Due to the uncertain nature of these matters, changes in estimates on account of additional information becoming available to the Group could result in material changes to the financial statements in subsequent periods. As of 31 March 2021, the Group has provided US\$15 million (FY 2020: US\$5 million) for pending litigation matters.

#### *Current and Deferred Income Taxes*

The Group records the estimated future tax effect resulting from the reversal of temporary differences between the tax bases of its assets and liabilities and the amounts reported in its statement of financial position for such assets and liabilities, as well as the future tax effect of operating losses and tax credit carry-forwards. The Group follows specific and restrictive guidelines regarding the recoverability of any tax assets recorded in the statement of financial position. It continuously assesses the probability that there will be adequate future taxable income generated to utilise the benefits relating to deferred tax assets recognised in the statement of financial position. When circumstances change, or if the expected level of future taxable income is not generated, the Group reassesses the recoverability of deferred tax assets and such reassessment could lead to a reversal of previously recognised deferred tax assets.

Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the related deductible temporary differences can be realised. The Group considers future taxable income, ongoing prudent and feasible tax strategies and the timing of the reversals of temporary differences in determining the deferred tax assets that should be recognised. If the Group determines that in future it will be

able to realise deferred tax assets in excess of the amount of deferred tax assets stated in its statement of financial position, the resulting adjustment to deferred tax assets increases the result of operations in the period that such determination is made.

The Group considers this to be a critical accounting policy as there could be a material adjustment to the deferred tax asset stated in its statement of financial position as well as a material impact on the results of operations if future taxable profits do not materialise in line with expectations.

#### *Equity-compensation Benefits*

The Group grants share appreciation rights (**SARs**), share options (**SOs**), restricted stock units (**RSUs**) and performance stock units (**PSUs**) 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 SARs/SOs/RSUs/PSUs granted to its employees. A corresponding credit to equity is recognised for equity-settled plans, whereas a corresponding credit to liabilities is recognised for cash-settled plans. The fair value of the SARs/SOs/RSUs/PSUs at the date of grant under equity-settled plans is charged to income 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 profit or loss for the period.

The Group considers this to be a critical accounting policy because any material change in the assumptions used to estimate the fair value of the SARs/SOs/RSUs/PSUs issued could have a material impact on the value of the equity reserve or share-based payment liabilities stated in its statement of financial position as well as a material impact on the results of operations. The Group has made no significant changes in the assumptions used to estimate the fair value of SARs/SOs/RSUs/PSUs issued in recent financial periods.

#### **Currency Policies**

The Group's functional currencies are generally the local currencies of the countries in which it operates (the currency of the primary economic environment). Monetary assets and liabilities in currencies other than the Group's functional currencies are translated based on the exchange rates prevailing at year-end. Any resulting exchange rate gains or losses are included in the results of operations.

Exchange rate gains and losses relating to hedging transactions are recognised in profit or loss in the same period as the exchange differences on the items covered by the hedged transactions affect profit or loss. These items have to meet specific requirements contained in IFRS-EU to qualify for hedge accounting. Gains and losses on transactions that do not meet these hedging requirements are marked-to-market and reflected in profit or loss for each respective period.

On consolidation, assets and liabilities of subsidiaries denominated in foreign currencies are translated to U.S. Dollars based on the exchange rates prevailing at fiscal year-end. Income and expense items are translated using annual weighted average rates of exchange, 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 exchange rates prevailing at the dates of the transactions. Components of equity are translated at the historic exchange rates.

Goodwill and fair-value adjustments arising on the acquisition of a foreign entity are treated as the foreign entity's assets and liabilities and are translated at the exchange rates prevailing at fiscal year-end.

The Group operates internationally and is exposed to foreign exchange translation risk arising from various currency exposures. Consequently, the Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Hong Kong Dollar (and indirectly the Chinese Yuan Renminbi owing to the Group's interest in Tencent), Euro, Brazilian Real, Russian Ruble, Indian Rupee, Polish Złoty and Romanian Leu.

The Group has limited transactional foreign exchange exposures as part of its normal operating activities as most of its businesses operate as local businesses with revenue and expenses denominated in local currency. Management is responsible for hedging the net position in the major foreign currencies by using forward exchange contracts. The Group generally seeks to cover forward 100% of firm commitments in foreign currency for a minimum of one year.

While local businesses do not face material foreign exchange risk, the Company is reliant on cash extractions from its subsidiaries and associate investments to meet its central cash obligations, which include interest payments on U.S. Dollar- and Euro-denominated debt. In this regard the Group is most sensitive to a devaluation in the Chinese Yuan Renminbi (the functional currency of Tencent's subsidiaries in the PRC), the Hong Kong Dollar (owing to the Group's annual dividend from Tencent), Russian Ruble, Polish Złoty and Romanian Leu.

The Group's revenue and most of its expenses are denominated in local currencies. A depreciation of the local currency against the U.S. Dollar would adversely affect its reported earnings and the Group's ability to meet its cash obligations at a central level. Many of the Group's operations are in countries or regions where the local currency has fluctuated considerably against the U.S. Dollar in recent years.

The majority of the Group's surplus funds are retained in U.S. Dollars, which is also the currency of most of its debt obligations. A portion of surplus funds are retained in other currencies to the extent of anticipated commitments in those currencies within a two-year window. Additional information is available in note 40 of the Annual Financial Statements.

### **Treasury and Financial Policies**

Financial risk management is carried out by the Group's management under policies approved by the board of directors and its risk committee. Management identifies, evaluates and hedges financial risks. The various boards of directors within the Company's subsidiaries provide written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative instruments and the investment of excess liquidity.

The Group is exposed to certain concentrations of credit risk relating to its cash, trade and other receivables, investments and loans and derivative 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. The Group's counterparties are evaluated on a continuous basis.

The Group is exposed to interest rate risk on its short-term investments and cash balances. Almost all of its outstanding debt is in the form of fixed-rate bonds.

Where the Group has surplus funds, its treasury policy is to retain it in U.S. Dollars or other currencies to the extent of anticipated commitments in those currencies within a two-year window. As of 31 March 2021, the Group had a net cash balance, including short-term investments, of US\$4,773 million (FY 2020: US\$8,022 million). Of these totals, the amount of US\$3,577 million (FY 2020: US\$7,162 million) held centrally was largely denominated in U.S. Dollars and Euros.

### **Contractual Obligations**

As of 31 March 2021, the Group had no significant off-balance sheet arrangements. The table below sets forth its known contractual obligations on a consolidated basis as of 31 March 2021.

	<b>Payments Due by Period</b>		
	<i>(US\$ in millions)</i>		
<b>Total</b>	<b>Less than 1 year</b>	<b>1–5 years</b>	<b>More than 5 years</b>

Long-term debt obligations <sup>(1)</sup> .....	7,987	48	1,273	6,666
Capital lease obligations <sup>(2)</sup> .....	253	58	141	54
Short-term lease obligations <sup>(3)</sup> .....	13	1	8	4
Purchase obligations <sup>(4)</sup> .....	76	62	14	—
Derivative financial liabilities <sup>(5)</sup> .....	1,213	32	231	950
Written put obligation liabilities <sup>(6)</sup> .....	1,267	1,207	60	—
Other long-term liabilities reflected on the consolidated statement of financial position under IFRS <sup>(7)</sup> .....	2	—	2	—
<b>Total gross contractual obligations</b> .....	<b>10,811</b>	<b>1,408</b>	<b>1,729</b>	<b>7,674</b>

- (1) Long-term debt obligations include interest-bearing loans and notes of /c, and non-interest-bearing loans of US\$66 million. Long-term debt obligations exclude bank overdrafts and call loans of US\$9 million, which are due within one year. Long-term debt obligations do not include interest payable on the related obligations.
- (2) Capitalised leases include lease obligations relating to buildings, vehicles, computers, furniture and office equipment.
- (3) Short-term lease obligations include future short-term and other contractual lease payments relating to office equipment, computers and furniture.
- (4) Purchase obligations include committed future expenditure under contracts entered into by the Group. These include contracts for various service agreements and capital expenditures. The obligations under service agreements are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees.
- (5) Derivative financial liabilities represent the notional U.S. Dollar amounts under the outstanding forward exchange contracts, derivatives contained in lease agreements and the cross-currency interest rate swap at 31 March 2021.
- (6) 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. For further information, see note 22 of the Annual Financial Statements.
- (7) Other long-term liabilities reflected on the balance sheet include post-employment medical benefit obligations.

## Capital Expenditures

The following table sets out the Group's net capital expenditures consisting of cash flows relating to property, plant and equipment acquired and intangible assets acquired and disposed of for the periods indicated:

	Fiscal Year	
	2021	2020
	<i>(US\$ in millions)</i>	
<b>Net capital expenditures from continuing operations</b>		
—Classifieds .....	32	38
—Payments and Fintech .....	2	4
—Food Delivery .....	7	14
—Etail .....	65	29
—Other Ecommerce and Corporate .....	11	12
<b>Total net capital expenditures</b> .....	<b>117</b>	<b>97</b>

## Contingent Assets

The Group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The Group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The Group had an uncertain tax position treated as a contingent asset of US\$170.8 million at 31 March 2020 related to amounts receivable from tax authorities. In the financial year ended 31 March 2019, the Group concluded that this uncertain tax position was not probable and reflected the uncertainty in the tax expense recognised during that financial year. In September 2020, the Group received this amount and has recognised it in "Taxation" in the income statement, where it was originally recognised. There are no contingent assets as at 31 March 2021. See "Risk Factors—Risks Relating to Markets in which the Group Operates—Uncertainties exist with respect to the Foreign Investment Law and its potential impact on the

*Group's investment in Tencent and the viability of Tencent's current corporate structure, corporate governance and business operations" for more information.*

## **Quantitative and Qualitative Disclosures about Market Risk**

Market risk represents the risk of changes in the value of financial instruments, derivative or non-derivative, caused by equity price risk, interest rate risk and foreign currency risk. The market risks that the Group is mainly exposed to are interest rate risk and foreign currency exchange rate risk. Following the evaluation of these exposures, the Group selectively enters into derivative financial instruments to manage the related risk exposures pursuant to the Group's policies in areas such as counterparty exposure and hedging practices. These policies have been approved by the Group's senior management and the Group does not hold or issue derivative financial instruments for trading or speculative purposes.

The following discussion and analysis only addresses the Group's market risk and does not address other risks which the Group faces in the normal course of business, including credit risk and liquidity risk. For an overview of the Group's financial risk management and additional information on the financial risks it faces, see the Annual Financial Statements and related notes thereto.

### ***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 can change significantly as a result of changes in interest rates.

### ***Foreign Exchange Risk***

A summary of the Group's foreign exchange exposure is described under "*Currency Policies*" which is presented as one of its "*Critical Accounting Policies*". The Group has classified its forward exchange contracts relating to forecast transactions and firm commitments as cash flow and fair value hedges, and measures them at fair value. The transactions relate mainly to the acquisition of inventory items.



## MANAGEMENT

### General

This section gives an overview of the material information concerning the Board and the Senior Management (as defined below).

### Directors

As at the date of this Prospectus, the Board comprises the following **Directors**:

Name	Age	Position	Date first appointed to the Board	Date last appointed to the Board	Start and end of current term
Bekker, Jacobus Petrus (Koos) .....	68	Non-executive Chair	14 August 2019	14 August 2019	AGM 2019 – AGM 2022
Van Dijk, Bob .....	48	Chief Executive Officer and Executive Director	16 May 2019	N/A	N/A
Sgourdos, Vasileios (Basil) .....	51	Chief Financial Officer, Financial Director and Executive Director	16 May 2019	N/A	N/A
Choi, Emilie Monica .....	43	Non-executive Director <sup>(i)</sup>	14 August 2019	18 August 2020	AGM 2020 – AGM 2023
Du Toit, Hendrik Jacobus .....	59	Non-executive Director <sup>(i)</sup>	14 August 2019	14 August 2019	AGM 2019 – AGM 2021
Enenstein, Craig Lawrence .....	52	Non-executive Director <sup>(i)</sup>	14 August 2019	14 August 2019	AGM 2019 – AGM 2021
Girotra, Manisha .....	51	Non-executive Director <sup>(i)</sup>	1 October 2020	18 August 2020	AGM 2020 – AGM 2023
Jafta, Rachel Catharina Cornelia .....	60	Non-executive Director <sup>(i)</sup>	14 August 2019	18 August 2020	AGM 2020 – AGM 2023
Letele, Francis Lehlohonolo	71	Non-executive Director <sup>(i)</sup>	14 August 2019	14 August 2019	AGM 2019 – AGM 2021

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Date first appointed to the Board</b>	<b>Date last appointed to the Board</b>	<b>Start and end of current term</b>
Napo (Nolo) .....					
Meyer, Debra .....	54	Non-executive Director <sup>(i)</sup>	14 August 2019	14 August 2019	AGM 2019 – AGM 2022
Oliveira de Lima, Roberto .....	70	Non-executive Director <sup>(i)</sup>	14 August 2019	14 August 2019	AGM 2019 – AGM 2021
Pacak, Stephan Joseph Zbigniew (Steve) .....	66	Non-executive Director <sup>(i)</sup>	14 August 2019	14 August 2019	AGM 2019 – AGM 2022
Sorour, Mark Remon .....	59	Non-executive Director	14 August 2019	18 August 2020	AGM 2020 – AGM 2023
Stofberg, Jacobus Du Toit (Cobus) .....	70	Non-executive Director <sup>(i)</sup>	14 August 2019	14 August 2019	AGM 2019 – AGM 2022
Van der Ross, Benedict James (Ben) .....	74	Non-executive Director <sup>(i)</sup>	14 August 2019	14 August 2019	AGM 2019 – AGM 2022
Xu, Ying .....	57	Non-executive Director <sup>(i)</sup>	18 August 2020	18 August 2020	AGM 2020 – AGM 2023
Kemna, Angelien Gertruda Zinnia .....	63	Non-executive Director <sup>(i) (ii)</sup>	24 August 2021	24 August 2021	AGM 2021 –

(i) The Director is an independent non-executive Director for the purposes of the Dutch Corporate Governance Code.

(ii) Angelien Kemna will be appointed as a non-executive Director at the next general meeting on 24 August 2021.

### **Senior Management**

**Senior Management** of the Company comprises the executive Directors of the Board together with the following persons:

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Member since<sup>(i)</sup></b>
Illg, Larry .....	50	Chief Executive Officer Food Delivery and Edtech	2014

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Member since<sup>(i)</sup></b>
Kolek, Patrick (Pat) .....	50	Chief Operating Officer	2016
Le Moal, Laurent.....	50	Chief Executive Officer PayU	2016
O'Toole, Aileen .....	47	Chief People Officer	2014
Voog, Romain .....	49	Chief Executive Officer Classifieds	2021
Searle, Charles St Leger (Charles) .....	57	Chief Executive Officer Internet Listed Assets	2006
Tschopp, Martin .....	49	Chief Executive Officer Ventures	2020
Tudor, David Glyndwr (David) .....	55	Group General Counsel	2015
Tu, Ervin <sup>(ii)</sup> .....	45	Group Chief of Investments, Strategy, and M&A	2021

- (i) The dates set out above are the dates on which these persons were appointed as members of the senior management of Naspers.  
(ii) As of August 2021, Ervin Tu will become a member of the Senior Management.

## General Information about the Directors and Senior Management

### *Activities outside Prosus*

The table below sets out the names of all companies and partnerships of which a Director or member of Senior Management has been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner bodies or partner, as at the date of this Prospectus, other than a subsidiary of the Company. Each Director is also a director of Naspers Limited.

<b>Name</b>	<b>Company</b>	<b>Active/Resigned</b>
<b>Directors</b>		
Bekker, Jacobus Petrus (Koos) .....	Media24 Proprietary Limited	Active
	Media24 Holdings Proprietary Limited	Active
	Tencent Holdings Limited	Active
Van Dijk, Bob .....	MultiChoice South Africa Proprietary Limited	Resigned
	MultiChoice South Africa Holdings Limited	Resigned

<u>Name</u>	<u>Company</u>	<u>Active/Resigned</u>
	MIH Holdings Proprietary Limited	Resigned
	Booking Holdings Inc.	Active
Sgourdos, Vasileios (Basil)..	Mail.ru Group Limited	Resigned
	MIH Holdings Proprietary Limited	Resigned
Choi, Emilie Monica .....	ZipRecruiter, Inc.	Active
Du Toit, Hendrik Jacobus....	August Moon Proprietary Limited	Active
	Brouwerskloof Eiendomme Proprietary Limited	Active
	Kleinbeginboerdery Proprietary Limited	Resigned
	Forty Two Point Two	Active
	Growthpoint Investec African Property Management Limited	Resigned
	Investec Africa Private Equity Fund 2 GP Limited	Resigned
	Ninety One Global Limited (previously known as Investec Asset Management Global Limited)	Active
	Investec Asset Management Group plc	Resigned
	Ninety One International Limited (previously known as Investec Asset Management International Limited)	Active
	Investec Limited	Resigned
	Investec plc	Resigned
	Mediterranean Holdings Proprietary Limited	Active
	Ninety One Limited	Active
	Ninety One Africa (Pty) Ltd (Investec Asset Management Holdings Proprietary Limited)	Active
	Ninety One plc	Active
Enenstein, Craig Lawrence...	CCT Holdco, LLC	Active
	Circuitronics EMS Holdings, LLC	Resigned
	Connecting Point Holdings LLC	Resigned
	Consolidated Flooring, LLC	Active

<u>Name</u>	<u>Company</u>	<u>Active/Resigned</u>
	FMT Holdings, LLC	Active
	IE Food Holdings, LLC	Active
	IOP Holdings LLC	Resigned
	NPAS Holdings, LLC	Active
	Speciality Marketing & Communications Holdings, LLC	Active
	TrashMasters LLC	Resigned
	CEO Warrior Holdings LLC	Active
	Athena Holdings LLC	Active
	WWLT Holdings LLC	Active
Girotra, Manisha.....	Ashok Leyland Limited	Active
	Jio Payments Bank Limited	Active
	KEC International Limited	Resigned
	Mindtree Limited	Resigned
	Technip France	Resigned
	Novartis India Limited	Resigned
	Mindspace Business Parks REIT	Active
Jafta, Rachel Catharina Cornelia .....	Heemstede Beleggings Proprietary Limited	Active
	Media24 Limited	Active
	Media24 Holdings Proprietary Limited	Active
	Naspers Beleggings (RF) Limited	Active
	Naspers Labs NPC	Active
	Welkom Yizani Investments (RF) Limited	Active
	Econex Proprietary Limited	Resigned
	The Cape Town Carnival Trust	Active
	O.R.E Imports Proprietary Limited (dormant)	Active

<u>Name</u>	<u>Company</u>	<u>Active/Resigned</u>
Kemna, Angelién Gertruda Zinnia .....	AXA Group	Active
	AXA Investment Management	Active
	NIBC	Active
	FrieslandCampina	Active
Letele, Francis Lehlohonolo Napó (Nolo).....	Commercezone Proprietary Limited	Active
	Built Environment Africa Capital	Resigned
	CB Hermetics Proprietary Limited	Active
	Chesswood Holdings 3 Proprietary Limited	Active
	Electronic Media Network Limited	Active
	EMN Media Services Proprietary Limited	Active
	Fairlawns Boutique Hotel and Spa Proprietary Limited	Active
	Fairlawns Hotels Proprietary Limited	Active
	Francina Exports Proprietary Limited	Active
	GOTV Lesotho Proprietary Limited	Active
	Hermetics Health Proprietary Limited	Active
	Huntley Holdings Proprietary Limited	Active
	Huntley Internet Services Proprietary Limited	Active
	Huntley Media Services Proprietary Limited	Active
	Ikapa Petroleum Corporation	Resigned
	Integrated Professional Consultants Proprietary Limited	Active
	International Co-Productions Proprietary Limited	Active
I-Tran Proprietary Limited	Active	
I-Tran Systems Proprietary Limited	Active	
Jellybean Interactive Proprietary Limited	Active	

<b>Name</b>	<b>Company</b>	<b>Active/Resigned</b>
	Jersey Lane Properties Proprietary Limited	Active
	Lapetus Proprietary Limited	Active
	Mejametalana Properties Proprietary Limited	Active
	Magnolia Ridge Properties 383 Proprietary Limited	Active
	Mindset Network	Resigned
	Mobile Device Repairs and Accessories	Resigned
	MultiChoice Africa Foundation	Active
	MultiChoice Eastern Cape Proprietary Limited	Active
	MultiChoice Group Limited	Active
	MultiChoice Investments Proprietary Limited	Active
	MultiChoice Mobile Operations Proprietary Limited	Active
	MultiChoice Operations Proprietary Limited	Active
	MultiChoice Proprietary Limited	Active
	MultiChoice South Africa Proprietary Limited	Active
	MultiChoice South Africa Holdings Proprietary Limited	Active
	MultiChoice Supplies Proprietary Limited	Active
	MultiChoice Support Services Proprietary Limited	Resigned
	MultiChoice Technical Operations Proprietary Limited	Resigned
	Newsshelf 1270 (RF) Proprietary Limited	Active
	Next Case 59 Proprietary Limited	Active
	NMS Communications Proprietary Limited	Active
	NMS Properties Proprietary Limited	Resigned
	Nonica Estates Proprietary Limited	Active
	Orbicom Proprietary Limited	Resigned

<b>Name</b>	<b>Company</b>	<b>Active/Resigned</b>
	Potelisi Projects Proprietary Limited	Active
	Present Perfect Investments 320 Proprietary Limited	Active
	Stand 1194-1196 Ferndale Proprietary Limited	Resigned
	Supersonic FTTX	Resigned
	SuperSport Dream League Proprietary Limited	Resigned
	SuperSport International Proprietary Limited	Resigned
	SuperSport International Holdings Limited	Resigned
	SuperSport Sports Holdings Proprietary Limited	Resigned
	SuperSport United Football Club Proprietary Limited	Resigned
	SuperSport Zone Proprietary Limited	Resigned
	Topaz Sky Trading 55 Proprietary Limited	Active
	Tiamat Holdings Proprietary Limited	Active
Meyer, Debra.....	Atterbury Property Foundation NPC	Active
	Heemstede Beleggings Proprietary Limited	Active
	Naspers Beleggings (RF) Limited	Active
	Die Mos Inisiatief Proprietary Limited	Active
	Keeromstraat 30 Beleggings (RF) Proprietary Limited	Resigned
	Media24 Proprietary Limited	Resigned
	Media24 Holdings Proprietary Limited	Resigned
	Orbis Africa NPC	Resigned
	Aardklop Nasionale Kunstefees	Resigned
Oliveira de Lima, Roberto....	RNI Negocios Imobiliarios S.A.	Active
	Aes Tiete Energia S.A.	Active
	Tripleplay Brasil Participações S.A.	Active
	Petrobras Distribuidora S.A.	Resigned



<u>Name</u>	<u>Company</u>	<u>Active/Resigned</u>
	Telefonica Brasil SA	Resigned
	Companhia Brasileira De Distribuicao (Pao de Açúcar)	Resigned
	Edenred SA	Resigned
	Natura Comsmeticos SA	Resigned
Pacak, Stephan Joseph Zbigniew (Steve).....	Dusty Moon Investments 288 Proprietary Limited	Active
	Keeromstraat 30 Beleggings (RF) Limited	Active
	MultiChoice Group Limited	Resigned
	MultiChoice South Africa Proprietary Limited	Resigned
	MultiChoice South Africa Holdings Proprietary Limited	Resigned
	Seacrest Investments 134 Proprietary Limited	Active
Sorour, Mark Remon.....	Wizard Properties CO/CC	Active
	20 Good Summers Proprietary Limited	Active
	Blue Lake Ventures Limited	Active
	Cape Town Helicopters Proprietary Limited	Active
	East Coast Aviation Proprietary Limited	Active
	K2019109296 (South Africa) Proprietary Limited	Active
	Quickvest 429 CO/CC	Active
	Mail.ru Group Limited	Active
	Market Demand Trading 761 Proprietary Limited	Active
	Mikhaila Sorour Investment Company Proprietary Limited	Active
	Remi Sorour Investment Company Proprietary Limited	Active
	Royal Albatross Properties 73 Proprietary Limited	Active

<u>Name</u>	<u>Company</u>	<u>Active/Resigned</u>
	Sorour Aviation Holding Company Proprietary Limited	Active
	Sorour Development Holdings Proprietary Limited	Active
	Sorour Finance Holding Company Proprietary Limited	Active
	Sorour Private Equity Holding Company Proprietary Limited	Active
	Sorour Property Holdings Proprietary Limited	Active
	Xtraprops 68 Proprietary Limited	Active
Stofberg, Jacobus Du Toit (Cobus).....	Not applicable	Not applicable
Van der Ross, Benedict James (Ben).....	Andrew Torr Property CC	Active
	Business Venture Investments No 1228 Proprietary Limited	Active
	Firstshelf 25 Proprietary Limited	Active
	Micawber 410 Proprietary Limited	Active
	Naspers Beleggings (RF) Limited	Active
	Nebavest 82 Proprietary Limited	Active
	Newshelf 1070 Proprietary Limited	Active
	Weltrus (RF) Proprietary Limited	Active
	Amathole Capital	Active
	Amathole Investments	Active
	FirstRand Bank Limited	Resigned
	FirstRand Limited	Resigned
	Momentum Securities Nominees Proprietary Limited	Resigned
	Momentum Wealth Nominees (RF) Proprietary Limited	Resigned
	Distell Group Limited Proprietary Limited	Resigned

<u>Name</u>	<u>Company</u>	<u>Active/Resigned</u>
	Strategic Real Estate Manager Proprietary Limited	Resigned
	Milprops 197 CC	Active
	Uluntu Utility Company Proprietary Limited	Active
Xu, Ying .....	Not applicable	Not applicable
<b>Senior Management<sup>(i)</sup></b>		
Illg, Larry .....	Brainly, Inc.	Active
	Bundl Technologies Private Limited (Swiggy)	Active
	Honor Technology, Inc.	Active
	Netretail Holding B.V.	Resigned
	Ryzac, Inc. (Codecademy)	Active
	Skillsoft	Active
	Similarweb Ltd	Resigned
	Udemy, Inc.	Active
Kolek, Patrick (Pat) .....	Delivery Hero SE	Active
	MakeMyTrip Limited	Resigned
	Skillsoft	Active
Le Moal, Laurent.....	Monese Limited	Resigned
	Remitly Inc.	Active
O'Toole, Aileen .....	MakeMyTrip Limited	Resigned
	Boozt Group	Active
Voog, Romain .....	Nahdi.sa	Active
Searle, Charles St Leger (Charles) .....	Mail.ru Group Limited	Active
	MakeMyTrip Limited	Resigned
	Tencent Holdings Limited	Active
Tschopp, Martin .....	emTransit B.V.	Active
	Eruditus Learning Solutions Pte Ltd	Active

Name	Company	Active/Resigned
	Kiva Microfunds	Resigned
Tudor, David Glyndwr (David) .....	FairSearch AISBL	Active
	Save the Children Fund (African Advisory Board)	Active
Tu, Ervin.....	Softbank Investment Advisers	Active <sup>(ii)</sup>
(i)	Other than the Chief Executive Officer and the Financial Director of the Company.	
(ii)	Will be retired on or before 31 July 2021.	

The business address of the Directors and members of Senior Management is Prosus N.V., Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands.

### ***Recent appointments***

As of August 2021, Ervin Tu will join the Senior Management team in the new role of Group Chief of Investments, Strategy, and M&A. Angelien Kemna (63) has been nominated for appointment as an independent non-executive Director of the Company at the next AGM (on 24 August 2021). In the previous five years, neither Ervin Tu nor Angelien Kemna: (i) has been involved in any (a) convictions in relation to fraudulent offences, (b) bankruptcies, receiverships, liquidations or companies put into administration, or (c) official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or (ii) has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Save for the above, there is no information that is not already disclosed for the members of the Board or Senior Management appointed since the date of the latest audited Annual Financial Statements.

### **Potential Conflicts of Interest and Other Information**

Other than the circumstances described below, the Company is 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 the Company on the other hand. According to best practice principle 2.7.4 of the Dutch Corporate Governance Code, the Company will report on Directors' conflicts of interest in transactions in its management report where the conflict of interest is of material significance to the Company and/or to the relevant Director.

As of the date of this Prospectus, each Director is a member of the board of directors of Naspers. 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 the fact that each Director is also a member of Naspers's board of directors, will cause any of the Directors to have a conflict with the duties they have towards the Group. However, the Company's 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.

During the five years preceding the date of this Prospectus, none of the Directors or members of the Senior Management: (i) has been convicted of fraudulent offences; (ii) has served as a director or officer of any entity subject to bankruptcy proceedings, receivership, liquidation or administration; or (iii) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated

professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer.

The Company is not aware of any arrangement or understanding with Naspers, clients, suppliers or others, pursuant to which any Director or member of the Senior Management was selected as a member of such management body of the Company.

## SHAREHOLDER STRUCTURE AND RELATED PARTY TRANSACTIONS

### Shareholder Structure

#### Major and Controlling Shareholders

On the date of this Prospectus the Company's share capital comprises Prosus Ordinary Shares A and Prosus Ordinary Shares N. The Prosus Ordinary Shares A comprise Prosus Ordinary Shares A1 and Prosus Ordinary Shares A2. In total, 48 shareholders (including Nasbel and Keerom) hold 3,511,818 Prosus Ordinary Shares A1 as at the date of this Prospectus. Nasbel holds 49.15% of the Prosus Ordinary Shares A1 and Keerom holds 30.80% of the Prosus Ordinary Shares A1 of the Prosus Ordinary Shares A1. As of the date of this Prospectus, Naspers holds 1,180,250,012 Prosus Ordinary Shares N.

It is expected that on the Capital Restructure Date, the following persons, other than Directors, will have an interest in the Company's share capital or voting rights that is notifiable under the Dutch FMSA.

#### Prosus Ordinary Shares N

Shareholder	In case the Exchange Offer is implemented <sup>(i)</sup>		
	Prosus Ordinary Shares N <sup>(ii)</sup>	Percentage of Prosus Ordinary Shares N <sup>(iii)</sup>	Total Voting Percentage <sup>(iv)</sup>
Naspers .....	1,180,250,012	57.24%	36.94%
<b>Total .....</b>	<b>1,180,250,012</b>	<b>57.24%</b>	<b>36.94%</b>

- (i) The implementation of the Exchange Offer (as defined below) will be subject to the fulfilment of certain conditions including that Prosus has received and has valid acceptances at the close of the Exchange Offer, such that upon implementation of the Exchange Offer Prosus will hold not less than 49%<sup>12</sup> of the total issued ordinary shares N in the capital of Naspers Limited (**Naspers**) with a par value of ZAR0.02 each (the **Naspers N Ordinary Shares**) (including any Naspers N Ordinary Shares already held by Prosus immediately before launch of the Exchange Offer) (the **Minimum Acceptance Condition**). If the Minimum Acceptance Condition is not fulfilled, the Exchange Offer will not be implemented.
- (ii) The New Prosus Ordinary Shares N and the existing Prosus Ordinary Shares N in the capital of the Company together will be referred to as the **Prosus Ordinary Shares N**.
- (iii) These percentages are calculated including any treasury shares in Prosus.
- (iv) These percentages are based on a calculation that does not take into account any treasury shares in Prosus.

#### Prosus Ordinary Shares B (as defined below)

Shareholder	In case the Exchange Offer is implemented <sup>(i)</sup>		
	Prosus Ordinary Shares B <sup>(ii)</sup>	Percentage of Prosus Ordinary Shares B	Total Voting Percentage
Naspers .....	1,128,507,756	100%	35.32%
<b>Total.....</b>	<b>1,128,507,756</b>	<b>100%</b>	<b>35.32%</b>

- (i) The ordinary shares B in the capital of the Company with a nominal value of €0.05 each (the **Prosus Ordinary Shares B**): (i) are not, and will not as part of the Transaction be, admitted to listing and trading on any stock exchange; and (ii) carry one vote per share.
- (ii) As part of the Transaction, a number of Prosus Ordinary Shares B will be issued to Naspers as part of the Capital Restructure (as defined below) so that Naspers continues to hold 72% of the aggregate number of issued equity shares in the Company (including both the Prosus Ordinary Shares A and Prosus Ordinary Shares N) after the implementation of the Capital Restructure (as defined below) and taking into account Naspers's holding of Prosus Ordinary Shares N at the relevant times.

#### Prosus Ordinary Shares A1

Shareholder	In case the Exchange Offer is implemented <sup>(i)</sup>		
	Prosus Ordinary Shares A	Percentage of Prosus Ordinary Shares A	Total Voting Percentage
Nasbel.....	2,190,403	49.15%	0.07%
Keerom.....	1,372,716	30.80%	0.04%
<b>Total.....</b>	<b>3,563,119</b>	<b>79.95%</b>	<b>0.11%</b>

- (i) The Prosus Ordinary Shares A1: (i) are not, and will not as part of the Capital Restructure (as defined below) and the Admissions be, admitted to listing and trading on any stock exchange; and (ii) carry one vote per share, save 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, which, pursuant to the Articles of Association, would automatically result in the Prosus Ordinary Shares A1, carrying one vote per share, converting to Prosus Ordinary Shares A2, carrying 1,000 votes per share.

<sup>12</sup> This number is calculated including any treasury shares in Naspers.

The Company's major shareholders do not on the date of this Prospectus, and will not on the Capital Restructure Date, have different voting rights than other shareholders holding the same class(es) of Shares.

As at the date of this Prospectus and on the Capital Restructure Date, Naspers will control all matters requiring approval of the Company's shareholders. As such, on the Capital Restructure Date, the Company will remain part of the Naspers Group. Naspers is, in turn, controlled by the Naspers voting control structure, comprising Nasbel and Keerom through their majority holding of the ordinary shares A in the capital of Naspers with a nominal value of ZAR0.02 each (**Naspers A Ordinary Shares**).

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company. The rights and obligations of shareholders, including minority shareholders, are governed by applicable laws and regulations. The Articles of Association do not provide any specific provisions in addition to the provisions of the applicable laws and regulations that ensure control by the major or controlling shareholder of the Company is not abused.

### **Related Party Transactions**

In the course of its ordinary business activities, the Group's 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. The Company believes 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.

The Group participates in a number of transactions with other related parties, associated companies, joint ventures, directors, members of Senior Management and shareholders. See note 17 of the Annual Financial Statements (*Related Party Transactions and Balances*). Certain of these other 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 Financial Statements (*Related Party Transactions and Balances*); and
- *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 the Annual Financial Statements, the Group has not entered into related party transactions during FY 2021.

After 31 March 2021, the Group entered into the following related party transactions:

- issuance of the Prosus Ordinary Shares B as part of the Capital Restructure; and
- the Cross-Holding Agreement.

## DESCRIPTION OF SHARE CAPITAL

Set out below is a summary of certain relevant information concerning the Company's share capital and of certain significant provisions of Dutch and South African law and the Articles of Association. It is based on the relevant provisions of Dutch and South African law in effect on the date of this Prospectus and the Articles of Association as, unless explicitly stated otherwise, amended as per the resolutions adopted during the Prosus EGM. This summary does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the Articles of Association amended as per the resolutions adopted during the Prosus EGM and the relevant provisions of Dutch law and South African law. The full text of the Articles of Association amended as per the resolutions adopted during the Prosus EGM (in Dutch, and an unofficial English translation) will be available free of charge on the Company's website ([www.prosus.com](http://www.prosus.com)) or, during their normal business hours, at the registered office of the Company and the JSE Sponsor from the date of this Prospectus until at least the Settlement Date.

### Share Capital

The authorised capital of the Company at the date of this Prospectus is €251,000,000 divided into 5,010,010,000 Shares, of which:

- 10 million are Prosus Ordinary Shares A1 in the capital of the Company with a nominal value of €0.05 each (the **Prosus Ordinary Shares A1**);
- 10,000 are Prosus Ordinary Shares A2 in the capital of the Company with a nominal value of €50 each (the **Prosus Ordinary Shares A2**, and, together with the Prosus Ordinary Shares A1, the **Prosus Ordinary Shares A**); and
- 5 billion are Prosus Ordinary Shares N with a nominal value of €0.05 each.

Further to the approvals obtained during the Prosus EGM, the authorised capital of the Company will, effective as on the Capital Restructure Date, be €401 million divided into 8,010,010,000 Shares, of which:

- 10 million are Prosus Ordinary Shares A1;
- 10,000 are Prosus Ordinary Shares A2;
- 5 billion are Prosus Ordinary Shares N; and
- 3 billion are Prosus Ordinary Shares B in the capital of the Company with a nominal value of €0.05 each (the **Prosus Ordinary Shares B**).

The Articles of Association contain a transitional clause that ensures that the authorised capital of the Company changes automatically when a conversion of Prosus Ordinary Shares A takes effect. 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 number of authorised Prosus Ordinary Shares A2 will be 10 million Prosus Ordinary Shares A2. If Naspers makes, or is obliged to make, a filing with the AFM that it holds at least 50% plus one vote out of the total number of voting rights that may be exercised at a General Meeting, the number of authorised Prosus Ordinary Shares A2 will be 10,000 Prosus Ordinary Shares A2. See "*—Conversion of Prosus Ordinary Shares A*".

The issued Shares (i) have been created under, and are subject to, Dutch law and (ii) are fully paid-up.

On the Capital Restructure Date, there will be no convertible securities (other than the Prosus Ordinary Shares A and Prosus Ordinary Shares B), exchangeable securities or securities with warrants in the Company. There are no acquisition rights and/or obligations over unissued share capital of the Company or any undertaking to



increase the share capital of the Company. All of the Company's shares represent capital in the Company. No share or loan capital of any member of the Group is under option or agreed, conditionally or unconditionally, to be put under option.

Other than 11,874,493 Prosus Ordinary Shares N repurchased under the Prosus share purchase programme announced on 23 November 2020 and other than in respect of outstanding options under certain Group share incentive schemes, the Company is not party to any contract or arrangement (or proposed contract or arrangement) whereby any option or preferential right of any kind is (or is proposed to be) given to any person to subscribe for any securities in the Company.

Except by virtue of the different voting rights attached to the Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N, none of the Company's shareholders will have any voting rights different from any other holders of Shares.

In addition to the Company's share capital, the Company's debt capital comprises the Company Notes. The Company Notes are admitted to listing on the Euronext Dublin Official List and trading on the Global Exchange Market of Euronext Dublin. The Company Notes are direct, unsecured and unsubordinated obligations (except for those obligations preferred by statute or operation of law) of the Company. The Company Notes are fully and unconditionally guaranteed by Naspers.

The Naspers ADSs are not "*depository receipts*" (*met medewerking van de vennootschap uitgegeven certificaten*) for the Prosus Ordinary Shares N issued with the Company's cooperation as contemplated in the Dutch Civil Code. As such, Naspers ADSs holders will not be entitled to the rights that would have been afforded to "*depository receipts*" for the Prosus Ordinary Shares N under the Dutch Civil Code. The rights of Naspers ADSs holders will be governed by the deposit agreement, which will be governed by the laws of the State of New York.

### ***Conversion of Prosus Ordinary Shares A***

Under the Articles of Association, each Prosus Ordinary Share A1 is convertible into a Prosus Ordinary Share A2, subject to the below. The conversion of Prosus Ordinary Shares A1 into Prosus Ordinary Shares A2 occurs automatically 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. Under Dutch law, such total number of voting rights will be determined with reference to the aggregate of the voting rights that can be exercised at General Meetings, generally.

Each Prosus Ordinary Share A2 is convertible into a Prosus Ordinary Share A1, subject to the below provisions. The conversion of Prosus Ordinary Shares A2 into Prosus Ordinary Shares A1 occurs automatically 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. Under Dutch law, such total number of voting rights will be determined with reference to the aggregate of the voting rights that can be exercised at General Meetings, generally. The conversion of Prosus Ordinary Shares A2 into Prosus Ordinary Shares A1 is subject to the Dutch statutory requirements on capital reductions including, among other things, a resolution of the General Meeting, a public announcement and a two-month objection period for creditors. The Company can choose to comply with these requirements in advance, following a conversion of Prosus Ordinary Shares A1 into Prosus Ordinary Shares A2.

The difference in nominal value arising as a result of a conversion of each Prosus Ordinary Share A1 into a Prosus Ordinary Share A2 or as a result of a conversion of each Prosus Ordinary Share A2 into a Prosus Ordinary Share A1 will be debited or credited, as the case may be, to a special reserve for the conversion of Prosus Ordinary Shares A.

If, as a consequence of a conversion of a particular class of convertible Shares or otherwise, no Shares of that class are in issue, the rights corresponding to that class of convertible Shares will be deemed to have been suspended for the purpose of the Articles of Association.

The Articles of Association contain a transitional clause that ensures that the authorised capital of the Company changes automatically when a conversion of Prosus Ordinary Shares A takes effect. See "*—Share Capital*".

### ***Conversion of Prosus Ordinary Shares B***

Under the Articles of Association each Prosus Ordinary Share B automatically converts into a Prosus Ordinary Share N in accordance with the conversion ratio of 1 Prosus Ordinary Share N for every 1 million Prosus Ordinary Shares B (1:1,000,000) if:

- Naspers or a wholly owned subsidiary of Naspers has transferred, sold or otherwise disposed of the Prosus Ordinary Shares B such that they are no longer owned, controlled and/or held by Naspers or a wholly owned subsidiary of Naspers; or
- Naspers or a wholly owned subsidiary of Naspers ceases to be a holder of Prosus Ordinary Shares N; or
- any person(s), acting alone or in concert, acquires "control", as defined in the South African Companies Act, including negative control, of Naspers through a holding of Naspers A Ordinary Shares, Naspers N Ordinary Shares or a combination thereof or otherwise,

(each a **Conversion Event**), provided that Naspers's board of directors shall be entitled, in its discretion, to notify the Board in writing that any Conversion Event (or a potential Conversion Event that it reasonably expects to occur) shall not constitute a Conversion Event.

### ***Issuance of Shares***

In connection with the Capital Restructure, during the Prosus EGM, the General Meeting resolved to designate the Board as the corporate body authorised to resolve to issue up to 451 million New Prosus Ordinary Shares N, 1,132 million Prosus Ordinary Shares B and 950,000 Prosus Ordinary Shares A1 and exclude pre-emptive rights in connection therewith, for a period of 18 months from the date of the Prosus EGM.

### ***Form of Shares***

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

In relation to Prosus Ordinary Shares N trading on the JSE, Prosus Ordinary Shares N will be delivered in the form of security entitlements representing the beneficial ownership of the Prosus Ordinary Shares N. These Prosus Ordinary Shares N will be held through PLC Nominees for, and on behalf of, JSE Investors. PLC Nominees is a regulated nominee in South Africa and is authorised to act as such by the South African Financial Sector Conduct Authority.

### ***Issue of Shares***

Resolutions to issue Shares are adopted by the General Meeting or the Board – if the General Meeting authorises the Board to do so. A resolution of the General Meeting to issue Shares or to designate the Board as the competent corporate body to issue Shares, can only be adopted with an absolute majority.

The foregoing also applies to the granting of rights to subscribe for Shares, such as options, but does not apply to the issue of Shares to a person exercising a previously acquired right to subscribe for Shares. An authorisation by the General Meeting to issue Shares must state the term for which it is valid, which term may not be longer than five years. The authorisation may be renewed in each case for another maximum period of five years. Unless provided otherwise in the authorisation, it may not be withdrawn.

In connection with the Capital Restructure, during the Prosus EGM, the General Meeting resolved to designate the Board as the corporate body authorised to resolve to issue up to 451 million New Prosus Ordinary Shares N, 1,132 million Prosus Ordinary Shares B and 950,000 Prosus Ordinary Shares A1 and exclude pre-emptive rights in connection therewith, for a period of 18 months from the date of the Prosus EGM. The Articles of Association provide that the General Meeting, or the other body of the Company designated for that purpose if and insofar as another body of the Company is authorised by the General Meeting to issue Shares, cannot resolve to issue Prosus Ordinary Shares N in a way which would affect the voting ratio between the Prosus Ordinary Shares A and the Prosus Ordinary Shares N as it existed immediately following a reference date by more than 10%, without:

- a simultaneous issuance of Prosus Ordinary Shares A to existing holders of Prosus Ordinary Shares A (on the basis that, if appropriate, any shortfall in the voting ratio that may have arisen over the period concerned will be caught up so that the voting ratio as on the reference date is maintained) in such number that is required to re-establish the voting ratio between the Prosus Ordinary Shares A and the Prosus Ordinary Shares N as it existed on the reference date, at which occasion the nominal payment obligation on the Prosus Ordinary Shares A and the amount to be added to the conversion reserve if it concerns Prosus Ordinary Shares A1, will be charged against the freely distributable reserves of the Company; or
- the prior approval of the meeting of holders of Prosus Ordinary Shares A, granted by resolution adopted with at least 90% of the votes.

Once the Protection Structure is activated, neither the Company nor the Board may do anything that would be detrimental to, or dilute, the rights of the holders of Prosus Ordinary Shares A, without the prior approval of the meeting of holders of Prosus Ordinary Shares A, adopted with at least 90% of the votes.

### ***Pre-emptive Rights***

Upon the issue of Prosus Ordinary Shares N, each holder of Prosus Ordinary Shares N shall have a pre-emptive right in respect of the Prosus Ordinary Shares N to be issued, in proportion to the number of Prosus Ordinary Shares N already held by it. Exceptions to these pre-emptive rights include: (i) the issue of Prosus Ordinary Shares N against a contribution in kind; (ii) the issue of Prosus Ordinary Shares N to the employees of the Company or of a group company (*groepsmaatschappij*) pursuant to an employee share scheme or as an employee benefit; and (iii) the issue of Prosus Ordinary Shares N to persons exercising a previously granted right to subscribe for Prosus Ordinary Shares N. These pre-emptive rights and such non-applicability of pre-emptive rights also apply in the case of the granting of rights to subscribe for Prosus Ordinary Shares N.

Holders of Prosus Ordinary Shares N do not have a pre-emptive right in respect of any Prosus Ordinary Shares A to be issued. Similarly, holders of Prosus Ordinary Shares A do not have a pre-emptive right in respect of any Prosus Ordinary Shares N to be issued.

***At the Prosus EGM, the Board was, for a period of 18 months from the date of the Prosus EGM, authorised by the general meeting of shareholders as the competent body to resolve to issue shares and rights to subscribe for shares in the capital of the Company up to a maximum of 451 million Prosus Ordinary Shares N, 950,000 Prosus Ordinary Shares A1 and 1,132 million Prosus Ordinary Shares B, and to exclude or limit pre-emptive rights accruing to Shareholders in relation to the issue of shares or rights to subscribe for shares, for purposes of implementing the Capital Restructure.***

### ***Acquisition of Own Shares***

Subject to certain statutory conditions having been met, the Board will be authorised to acquire fully paid-up Prosus Ordinary Shares N, Prosus Ordinary Shares A or Prosus Ordinary Shares B (collectively, the **Shares**) either gratuitously (*om niet*), under universal succession of title, or if: (i) the Company's equity, less the payment required to make the acquisition, does not fall below the sum of called-up and paid-up share capital and any statutory reserves; (ii) the aggregate nominal value of the Shares which the Company acquires, holds

or holds as pledge or which are held by a subsidiary does not exceed 50% of the issued share capital; and (iii) the Board has been authorised by the General Meeting to repurchase Shares. The Company may, without authorisation by the General Meeting, acquire its own Shares for the purpose of transferring such Shares to its employees under a scheme applicable to such employees, provided such Shares are quoted on the price list of a stock exchange.

The General Meeting's authorisation is valid for a maximum of 18 months. As part of the authorisation, the General Meeting must determine the number of Shares that may be acquired, the manner in which the Shares may be acquired and the limits within which the price must be set.

At the Prosus EGM, the Board was, for a period of 18 months from the date of the Prosus EGM, authorised by the general meeting of shareholders as the competent body to acquire fully paid-up shares in its own capital, up to a maximum of 10% of the total issued share capital as per the date of the Prosus EGM, provided that the Company will hold no more shares in its own capital than a maximum of 50% of the issued capital, either through a purchase on a stock exchange or otherwise. The repurchase can take place for a price, excluding expenses, not lower than the nominal value of the Shares and not higher than the opening price on Euronext Amsterdam on the trading day of the repurchase or the agreement to acquire the Shares is entered into plus 10%. Certain aspects of the acquisition by the Company of its Prosus Ordinary Shares N are described in "*Taxation—Taxation in the Netherlands*".

The Company may not cast votes on Shares held by it nor will such Shares be counted for the purpose of calculating a voting quorum. Votes may be cast on Shares held by the Company if the Shares are encumbered with a right of usufruct that benefits a party other than the Company or a subsidiary, the voting right attached to those Shares accrues to another party and the right of usufruct was established by a party other than the Company or a subsidiary before the Shares belonged to the Company or the subsidiary.

No dividend shall be paid on the Shares held by the Company in its own capital, unless such Shares are subject to a right of usufruct or pledge. For the purpose of determining the profit distribution, the Shares held by the Company in its own capital shall not be included. The Board is authorised to dispose of the Company's own Shares held by it.

### ***Reduction of Share Capital***

Subject to the provisions of Dutch law and the Articles of Association, the General Meeting may, but only if proposed by the Board, and in compliance with Sections 2:99 and 2:100 of the Dutch Civil Code, pass resolutions to reduce the issued share capital by: (i) cancelling Shares; or (ii) reducing the nominal value of the Shares by amendment of the Articles of Association. A resolution to cancel Shares may only relate to Shares held by the Company or of which it holds the depository receipts. A reduction of the nominal value of Shares, whether without redemption or against partial repayment on the Shares or upon release from the obligation to pay up the nominal value of the Shares, must be made *pro rata* on all Shares. This *pro rata* requirement may be waived if all shareholders concerned so agree. A resolution of the General Meeting to reduce the share capital requires a majority of at least two thirds of the votes cast if less than 50% of the issued and outstanding share capital is represented at the General Meeting. If 50% or more of the issued and outstanding share capital is represented at the General Meeting, the resolution of the General Meeting requires an absolute majority. In addition, a resolution to reduce the share capital shall require the prior or simultaneous approval of each group of holders of shares of a similar class (if any) whose rights are prejudiced.

In addition, Dutch law contains detailed provisions regarding the reduction of capital. A resolution to reduce the issued share capital shall not take effect as long as creditors have legal recourse against the resolution.

Under the Articles of Association, each Prosus Ordinary Share A2 is convertible into a Prosus Ordinary Share A1 with a lower nominal value, subject to the below provisions. The conversion of Prosus Ordinary Shares A2 into Prosus Ordinary Shares A1 occurs automatically 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. The conversion of Prosus Ordinary Shares A2 into Prosus Ordinary Shares

A1 is subject to the Dutch statutory requirements on capital reductions including, among other things, a resolution of the General Meeting, a public announcement and a two-month objection period for creditors. The Company can choose to comply with these requirements in advance, following a conversion of Prosus Ordinary Shares A1 into Prosus Ordinary Shares A2.

The difference in nominal value arising as a result of a conversion of each Prosus Ordinary Share A2 into a Prosus Ordinary Share A1 will be credited to a special reserve for the conversion of Prosus Ordinary Shares A.

The Articles of Association contain a transitional clause that ensures that the authorised capital of the Company changes automatically when a conversion of Prosus Ordinary Shares A takes effect. See "*—Share Capital*".

Certain aspects of taxation of a reduction of share capital are described in "*Taxation—Taxation in the Netherlands*".

### ***Transfer of Prosus Ordinary Shares N***

#### *Transfer of Prosus Ordinary Shares N on Euronext Amsterdam and the JSE*

A transfer of a Prosus Ordinary Share N (not being, for the avoidance of doubt, a Prosus Ordinary Share N held through Euroclear Nederland or the Strate System) or of a restricted right (*beperkt recht*) thereto requires a deed of transfer drawn up for that purpose and acknowledgement of the transfer by the Company in writing. The latter condition is not required in the event that the Company is party to the transfer.

If a registered Prosus Ordinary Share N is transferred for inclusion in a collective deposit, the transfer will be accepted by the intermediary concerned. If a registered Prosus Ordinary Share N is transferred for inclusion in a giro deposit or a central securities depository, the transfer will be accepted by the central institute, being Euroclear Nederland, in the case of Euronext Amsterdam Investors, and the Strate System, in the case of JSE Investors. Upon issue of a new Prosus Ordinary Share N to Euroclear Nederland, the Strate System or an intermediary, the transfer and acceptance in order to include the Prosus Ordinary Share N in the giro deposit or the collection deposit will be effected without the cooperation of the other participants in the collective deposit, central securities depository or giro deposit, respectively. Deposit shareholders are not recorded in the shareholders' register of the Company.

Prosus Ordinary Shares N included in the collective deposit or giro deposit can only be delivered from a collective deposit or giro deposit with due observance of the related provisions of the Dutch Securities Transactions Act, in the case of Euronext Amsterdam Investors, and the South African Financial Markets Act, 19 of 2012, as amended (the **South African Financial Markets Act**), in the case of JSE Investors. The transfer by a deposit shareholder of its book-entry rights representing such Prosus Ordinary Shares N shall be effected in accordance with the provisions of the Dutch Securities Transactions Act, in the case of Euronext Amsterdam Investors, and the South African Financial Markets Act, in the case of JSE Investors. The same applies to the establishment of a right of pledge and the establishment or transfer of a right of usufruct on these book-entry rights.

#### *Cross-border Transfer of Prosus Ordinary Shares N between Euronext Amsterdam and the JSE*

Prosus Ordinary Shares N trading on Euronext Amsterdam (and held through Euroclear Nederland) may be transferred to trading on the JSE (and held through the Strate System) (and vice versa). In order to do so, a shareholder may instruct the institution at which they maintain their securities account to which the relevant Prosus Ordinary Shares N are credited to transfer such Prosus Ordinary Shares N to a securities account with an institution admitted to the Strate System (when transferring Prosus Ordinary Shares N from Euronext Amsterdam to the JSE) or Euroclear Nederland (when transferring Prosus Ordinary Shares N from the JSE to Euronext Amsterdam). The transfer of those Prosus Ordinary Shares N may take up to two trading days. During that period, those Prosus Ordinary Shares N cannot be traded on either Euronext Amsterdam or the JSE and the A2X.

Any transfers by South African exchange control resident shareholders of Prosus Ordinary Shares N from the JSE to Euronext Amsterdam are subject to South African exchange control.

See "*Taxation—Taxation in the Netherlands*" and "*Taxation—Taxation in South Africa*" for a discussion on certain tax aspects of the transfer of Prosus Ordinary Shares N between Euronext Amsterdam and the JSE (and vice versa).

## ***Dividend Distributions***

### *General*

The Company may only make distributions to its shareholders if its equity does not fall below the sum of the called-up and paid-up share capital, and any statutory reserves and conversion reserves. The dividend pay-out can be summarised as follows.

### *Annual Profit Distribution*

A distribution of profits other than an interim distribution is only allowed after the adoption of the Company's annual accounts, and the information therein will determine if the distribution of profits is legally permitted for the respective Fiscal Year.

### *Right to Reserve*

The Board may decide that the profits realised during a Fiscal Year are to be fully or partially reserved. The profits remaining after being allocated to the reserves shall be put at the disposal of the General Meeting (the **Distributable Amount**). The Board shall make a proposal for that purpose.

Furthermore, the Board may decide that distributions to the shareholders shall be at the expense of reserves.

### *Interim Distribution*

Subject to Dutch law and the Articles of Association, the Board may resolve to make an interim distribution of profits provided that it appears from an interim statement of assets signed by the Board that the Company's equity does not fall below the sum of called-up and paid-up share capital, any statutory reserves and conversion reserves.

### *Distribution in Kind*

The Board may decide that a distribution on Shares, or Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N (**Shares**) of a specific class, shall not take place as a payment in cash but in the form of Shares, or decide that holders of Shares (of a specific class) shall have the option to receive a distribution as a payment of cash and/or in the form of Shares, out of the profit and/or at the expense of reserves, or decide that a distribution on Prosus Ordinary Shares B shall take place in the form of other non-cash assets. The Board shall determine the conditions applicable to the aforementioned choices.

### *Profit Ranking of the Shares*

Each Prosus Ordinary Share A, Prosus Ordinary Share B and each Prosus Ordinary Share N (including the New Prosus Ordinary Shares N) issued and outstanding on the Capital Restructure Date will rank equally with, and will be eligible for any dividends that may be declared on, the Prosus Ordinary Shares A, Prosus Ordinary Shares B and the Prosus Ordinary Shares N, respectively, subject however to the Cross-Holding Arrangement. See "*The Cross-Holding Arrangement*".

## *Payment*

Payment of any distribution on the Prosus Ordinary Shares N to shareholders (other than JSE Investors) will be made in Euro. JSE Investors will receive any cash distribution in South African Rand. The Euro/South African Rand conversion rate for JSE Investors will be communicated to these shareholders before cash distributions are paid.

Any dividends on Prosus Ordinary Shares N that are paid to shareholders through Euroclear Nederland or the Strate System will be automatically credited to the relevant shareholders' accounts, without the need for the shareholders to present documentation proving their ownership of the Prosus Ordinary Shares N. Payment of dividends on the Prosus Ordinary Shares N not held through Euroclear Nederland or the Strate System and the Prosus Ordinary Shares A will be made directly to the relevant shareholder using the information contained in the shareholders' register.

There are no restrictions in relation to the payment of distributions under Dutch law in respect of holders of Prosus Ordinary Shares N who are non-residents of the Netherlands. See "*—Important Information—Notice to Prospective Investors—No public Offering is being made to any person in any jurisdiction—Notice to Persons in South Africa*" for a discussion of the South African exchange controls, "*Taxation—Taxation in South Africa—Foreign Dividends—South African Dividends Tax*" and "*Taxation—Taxation in the Netherlands*" for a discussion of certain aspects of taxation of dividends and refund procedures for non-tax residents of the Netherlands.

Payments of distributions are announced in a notice by the Company and will be made payable pursuant to a resolution of the Board within four weeks after adoption, unless the Board sets another date for payment. A shareholder's claim to payments of dividends lapses five years after the day on which the claim became payable. Any dividends that are not collected within this period revert to the Company.

## **Meetings of Shareholders and Voting Rights**

### ***General Meetings***

According to the Articles of Association, General Meetings can be held in Amsterdam, the Netherlands or Haarlemmermeer (including Schiphol Airport), the Netherlands, at the choice of those who call the meeting.

The AGM must be held within six months after the close of each Fiscal Year. An extraordinary General Meeting may be convened, whenever the Company's interests so require, by the Board. In addition, shareholders representing alone or in aggregate at least one tenth of the issued and outstanding share capital may, pursuant to the Dutch Civil Code, request that a General Meeting be convened. If no General Meeting has been held within eight weeks of the shareholders making such request, the shareholders making such request may, upon their request, be authorised by the district court in summary proceedings to convene a General Meeting.

The convocation of the General Meeting must be published through an announcement by electronic means. Notice of a General Meeting must be given by at least such number of days prior to the day of the meeting as required by Dutch law, which, at the date of this Prospectus, is 42 days. The notice convening any General Meeting must include, among other items, the subjects to be dealt with, the venue and time of the General Meeting, the requirements for admittance to the General Meeting, the address of the Company's website, and such other information as may be required by Dutch law. The agenda for the AGM must contain certain subjects, including, among other things, the adoption of the annual accounts, the discussion of any substantial change in the corporate governance structure of the Company and the allocation of the profits, insofar as these are at the disposal of the General Meeting. In addition, the agenda must include such items as have been included therein by the Board or shareholders (with due observance of Dutch law as described below). If the agenda of the General Meeting contains the item of granting discharge to the Directors concerning the performance of their duties in the Fiscal Year in question, the discharge must be mentioned on the agenda as separate items for the executive and non-executive Directors, respectively.

Shareholders holding at least 3% of the Company's issued and outstanding share capital may request, by a motivated request, that an item is added to the agenda. Such requests must be made in writing, must either be substantiated or include a proposal for a resolution, and must be received by the Company at least 60 days before the day of the General Meeting. No resolutions may be adopted on items other than those that have been included in the agenda (unless the resolution would be adopted unanimously during a meeting where the entire issued capital of the Company is present or represented).

Shareholders who, individually or with other shareholders, hold Shares that represent at least one tenth of the issued and outstanding share capital or a market value of at least €250,000 may request the Company to disseminate information that is prepared by them in connection with an agenda item for a General Meeting, provided that the Company has done a so-called "*identification round*" in accordance with the provisions of the Dutch Securities Transactions Act. The Company can only refuse disseminating such information, if received less than seven business days prior to the day of the General Meeting, if the information gives or could give an incorrect or misleading signal or if, in light of the nature of the information, the Company cannot reasonably be required to disseminate it.

The General Meeting is chaired by the chair of the Board. If the chair of the Board wishes another party to chair the General Meeting, or if he/she is absent from the General Meeting, the Directors present at the General Meeting shall appoint a chair of the General Meeting from their midst. The chair of the General Meeting will have all powers necessary to ensure the proper and orderly functioning of the General Meeting. Directors may attend a General Meeting. In these General Meetings, they have an advisory vote. The external auditors of the Company are also authorised to attend the General Meeting. The chair of the General Meeting may decide at its discretion to admit other persons to the General Meeting.

Each shareholder (as well as other persons with voting rights or meeting rights) may attend the General Meeting, address the General Meeting and, insofar as they have such right, exercise voting rights in accordance with the terms of the relevant Shares, either in person or by proxy. Shareholders may exercise these rights if they are the holders of Shares on the registration date, which, at the date of this Prospectus, is the 28th day before the day of the General Meeting, and they or their proxy have notified the Company of their intention to attend the meeting in writing at the address and by the date specified in the notice of the meeting.

The Board may decide that persons entitled to attend and vote at General Meetings may cast their vote electronically or by post in a manner to be decided by the Board. Votes cast electronically or by post rank as equal to votes cast at the General Meeting.

### ***Voting Rights***

At General Meetings, each Prosus Ordinary Share N and Prosus Ordinary Share B carries one vote per Share. The Prosus Ordinary Shares A also carry one vote per share, save 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, which, pursuant to the Articles of Association, would automatically result in the Prosus Ordinary Shares A1, carrying one vote per share, converting to Prosus Ordinary Shares A2, carrying 1,000 votes per share.

Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of Shares that are held by the Company. Resolutions of the General Meeting are passed by an absolute majority of the valid votes cast at the General Meeting, except where Dutch law or the Articles of Association prescribe a greater majority.

The voting rights attached to the Prosus Ordinary Shares A, the Prosus Ordinary Shares B or the Prosus Ordinary Shares N may only be amended by amendment to the Articles of Association.

### ***Amendment of Articles of Association***

The General Meeting may pass a resolution to amend the Articles of Association, which requires an absolute majority of the votes cast in the General Meeting, but only on a proposal of the Board. If the Protection



Structure is activated, a resolution of the General Meeting amending the Articles of Association requires a majority of at least 75% of the votes that may be cast in the General Meeting.

A resolution of the General Meeting amending the Articles of Association such that rights attributable to Prosus Ordinary Shares A, Prosus Ordinary Shares B or Prosus Ordinary Shares N are adversely affected, is subject to approval of the relevant class meeting. In the event of a proposal to the General Meeting to amend the Articles of Association, a copy of such proposal containing the verbatim text of the proposed amendment will be deposited at the Company's office, for inspection by shareholders and other persons holding meeting rights, until the end of the meeting. Furthermore, a copy of the proposal will be made available free of charge to shareholders and other persons holding meeting rights from the day it was deposited until the day of the meeting.

### ***Dissolution and Liquidation***

The General Meeting may pass a resolution to dissolve the Company, but only on a proposal of the Board. In the event of the dissolution of the Company by resolution of the General Meeting, the Directors will be charged with effecting the liquidation of the Company's affairs, without prejudice to the provisions of Section 2:23, subsection 2 of the Dutch Civil Code. During liquidation, the provisions of the Articles of Association will remain in force to the extent possible.

If the Company is dissolved, the Company's assets shall be paid to secured creditors, preferential creditors (including tax and social security authorities) and unsecured creditors (including holders of the Company Notes), in that order. The balance of the Company's assets remaining after all liabilities have been paid, if any, shall be transferred to the holders of Prosus Ordinary Shares A in proportion to the nominal value of each shareholder's holding in Prosus Ordinary Shares A, but only to the extent there is a special reserve for the conversion of Prosus Ordinary Shares A at that time. Any remaining balance shall be transferred to the holders of Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N in proportion to the nominal value of each shareholder's holding in Prosus Ordinary Shares A and/or Prosus Ordinary Shares N, as the case may be, provided that (i) each holder of a Prosus Ordinary Share A shall be entitled to one fifth of the amount of the distribution made on each Prosus Ordinary Share N, multiplied by the Free Float Percentage and (ii) each holder of a Prosus Ordinary Share B shall be entitled to one millionth of the amount of the distribution to which a holder of a Prosus Ordinary Share N is entitled. The ranking of the Prosus Ordinary Shares A, the Prosus Ordinary Shares B and the Prosus Ordinary Shares N on a dissolution or liquidation of the Company will not change if the Protection Structure is activated. Any transfer to a shareholder will be subject to the rights of any shareholders to whom Shares have been issued on special conditions, and subject further to the right of the Company to apply set-off in respect of the liability, if any, of shareholders for unpaid capital or premiums. Once the liquidation has been completed, the books, records and other data carriers of the dissolved company will be held by the person or legal person appointed for that purpose by the General Meeting for the period prescribed by law (which as at the date of this Prospectus is seven years).

Certain tax aspects of liquidation proceeds are described in "*Taxation*".

### ***Annual and Semi-Annual Financial Reporting***

Annually, within four months after the end of the Fiscal Year, the Board must prepare the annual accounts and make them available for inspection by the shareholders at the office of the Company and on its website. The annual accounts must be accompanied by an independent auditor's statement, a management report and certain other information required under Dutch law. The Company's annual accounts must be signed by the members of the Board.

The annual accounts, the independent auditor's report, the Directors' report and the other information required under Dutch law must be made available to the shareholders for review as from the day of the notice convening the AGM. The Board must send the adopted annual accounts to the AFM within five business days following adoption.

After the proposal to adopt the annual accounts has been discussed and voted on, a proposal shall be made to the General Meeting, in connection with the annual accounts and the statements made regarding them at the General Meeting, to discharge the Directors for their management and supervision in the last Fiscal Year.

Within three months after the end of the first six months of each Fiscal Year, the Board must prepare semi-annual accounts and make them publicly available. If the semi-annual accounts are audited or reviewed, the independent auditor's report must be made publicly available together with the semi-annual accounts. If the semi-annual accounts are unaudited or unreviewed, they should state so.

The Company does not intend to publish interim financial statements other than financial statements for the six months ended 30 September of each Fiscal Year.

### **Dutch Financial Reporting Supervision Act**

On the basis of the Dutch Financial Reporting Supervision Act (*Wet toezicht financiële verslaggeving*) (the **Dutch FRSA**), the AFM supervises the application of financial reporting standards by, among others, companies whose corporate seat is in the Netherlands and whose securities are listed on a regulated Dutch or foreign stock exchange, such as the Company.

Pursuant to the Dutch FRSA, the AFM has an independent right to: (i) request an explanation from the Company regarding its application of the applicable financial reporting standards if, based on publicly known facts or circumstances, it has reason to doubt that the Company's financial reporting meets such standards; and (ii) recommend the Company make available further explanations. If the Company does not comply with such a request or recommendation, the AFM may request the enterprise chamber of the court of appeal in Amsterdam (*Ondernemingskamer van het Gerechtshof te Amsterdam*) (the **Enterprise Chamber**) to order the Company to: (a) provide an explanation of the way it has applied the applicable financial reporting standards to its financial reports; or (b) prepare its financial reports in accordance with the Enterprise Chamber's instructions.

### **Obligations of Shareholders to Make a Public Offer**

#### ***The Netherlands***

Pursuant to the Dutch FMSA, and in accordance with European Directive 2004/25/EC, also known as the Takeover Directive, any shareholder who directly or indirectly obtains control of a Dutch listed company (on a regulated market within the meaning of the Dutch FMSA), such as the Company, is required to make a public offer for all issued and outstanding shares in that company's share capital. Such control is deemed present if a (legal) person is able to exercise, alone or acting in concert, at least 30% of the voting rights in the general meeting of shareholders of such listed company (subject to a grandfathering exemption for major shareholders who, acting alone or in concert, already had control at the time that the company's shares are admitted for the first time to trading on a regulated market).

In addition, no person may launch a public offer to acquire the shares of a listed company, such as the Shares, unless an offer document has been approved by the AFM. Such a public offer may only be launched by way of publication of an approved offer document. The Dutch public offer rules are intended to ensure that in the event of a public offer, among other things, sufficient information is made available to the holders of the shares, the holders of the shares are treated equally, that there is no abuse of inside information and that there is a proper and timely offer period.

#### ***South Africa***

For completeness, no person may launch a public offer in South Africa to acquire the shares of a company (irrespective of where it is incorporated) unless an offer document has been approved by the CIPC, unless the relevant offer falls within one of the exemptions contemplated in the South African Companies Act.

## **Squeeze-out Proceedings**

Pursuant to Section 2:92a of the Dutch Civil Code, a shareholder who for his or her own account contributes at least 95% of a Dutch company's issued share capital may institute proceedings against such company's minority shareholders jointly for the transfer of their shares to such shareholder. The proceedings are held before the Enterprise Chamber and can be instituted by means of a writ of summons served upon each of the minority shareholders in accordance with the provisions of the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*). The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after the appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. Once the order to transfer becomes final before the Enterprise Chamber, the person acquiring the shares shall give written notice of the date and place of payment and the price to the holders of the shares to be acquired whose addresses are known to him. Unless the addresses of all of them are known to him, he is required to publish the same in a daily newspaper with nationwide circulation.

The offeror under a public offer is also entitled to start squeeze-out proceedings if, following the public offer, the offeror contributes at least 95% of the outstanding share capital and represents at least 95% of the voting rights. The claim of a takeover squeeze-out is required to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer. The Enterprise Chamber may grant the claim for squeeze-out in relation to all minority shareholders and will determine the price to be paid for the shares, if necessary after appointment of one or three experts who will offer an opinion to the Enterprise Chamber on the value to be paid for the shares of the minority shareholders. In principle, the offer price is considered reasonable if the offer was a mandatory offer or if at least 90% of the shares to which the offer related were received by way of a voluntary offer.

The Dutch takeover provisions of the Dutch FMSA also entitles those minority shareholders that have not previously tendered their shares under an offer to transfer their shares to the offeror, provided that the offeror has acquired at least 95% of the outstanding share capital and represents at least 95% of the voting rights. With regard to price, the same procedure as for takeover squeeze-out proceedings initiated by an offeror applies. The claim also needs to be filed with the Enterprise Chamber within three months following the expiry of the acceptance period of the offer.

## **Obligations to Disclose Holdings**

Holders of the Shares may be subject to notification obligations under the Dutch FMSA. Shareholders are advised to seek professional advice on these obligations.

### ***Obligations of Shareholders to Disclose Holdings***

Pursuant to the Dutch FMSA, any person who, directly or indirectly, acquires or disposes of an actual or potential interest in the capital or voting rights of a listed company must immediately notify the AFM by means of a standard form, if, as a result of such acquisition or disposal, the percentage of capital interest or voting rights held by such person in the company reaches, exceeds or falls below any of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%. Pursuant to the secondary listing of the Prosus Ordinary Shares N on the JSE, the Company will also announce such notifications on SENS.

A notification requirement also applies if a person's capital interest or voting rights reaches, exceeds or falls below the above-mentioned thresholds as a result of a change in the Company's total outstanding share capital or voting rights. Such notification must be made no later than the fourth trading day after the AFM has published the Company's notification of the change in its outstanding share capital. The Company is required to notify the AFM immediately of the changes to its total share capital or voting rights if its issued share capital or voting rights has changed by 1% or more since the Company's previous notification. The Company must furthermore notify the AFM within eight days after each quarter, in the event that its share capital or voting rights changed have by less than 1% in that relevant quarter since the Company's previous notification.

In addition, every holder of 3% or more of the Company's share capital or voting rights whose interest changes in respect of the previous notification to the AFM by reaching or crossing one of the thresholds mentioned above as a consequence of the interest being composed differently due to having acquired shares or voting rights through the exercise of a right to acquire such shares or voting rights, must immediately notify the AFM of the changes.

Controlled entities, within the meaning of the Dutch FMSA, do not have notification obligations, as their direct and indirect interests are attributed to their (ultimate) parent. Any person may qualify as a parent for purposes of the Dutch FMSA, including a natural person. A person who has a 3% or larger interest in the Company's share capital or voting rights and who ceases to be a controlled entity for these purposes must immediately notify the AFM. As at that moment, all notification obligations under the Dutch FMSA will become applicable to the former controlled entity.

For the purpose of calculating the percentage of capital interest or voting rights, the following interests must, *inter alia*, be taken into account: (i) shares and voting rights directly held (or acquired or disposed of) by any person; (ii) shares and voting rights held (or acquired or disposed of) by such person's controlled entity or by a third party for such person's account or by a third party with whom such person has concluded an oral or written voting agreement; (iii) voting rights acquired pursuant to an agreement providing for a temporary transfer of voting rights against a payment; (iv) shares which such person (directly or indirectly) or third party referred to above, may acquire pursuant to any option or other right to acquire shares; (v) shares that determine the value of certain cash-settled financial instruments such as contracts for difference and total return swaps; (vi) shares that must be acquired upon exercise of a put option by a counterparty; and (vii) shares that are the subject of another contract creating an economic position similar to a direct or indirect holding in those shares.

Special attribution rules apply to shares and voting rights that are part of the property of a partnership or other community of property. A holder of a pledge or right of usufruct in respect of shares can also be subject to the reporting obligations, if such person has, or can acquire, the right to vote the shares. The acquisition of (conditional) voting rights by a pledgee or beneficial owner may also trigger the reporting obligations as if the pledgee or beneficial owner were the legal holder of the shares.

For the same purpose, the following instruments qualify as "*shares*": (i) shares; (ii) depositary receipts for shares (or negotiable instruments similar to such receipts); (iii) negotiable instruments for acquiring the instruments under (i) or (ii) (such as convertible bonds); and (iv) options for acquiring the instruments under (i) or (ii).

### ***Notification of Short Positions***

Each person holding a gross short position in relation to the issued share capital of a Dutch listed company that reaches, exceeds or falls below any one of the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%, must immediately give written notice to the AFM. If a person's gross short position reaches, exceeds or falls below one of the above-mentioned thresholds as a result of a change in the Company's issued share capital, such person must make a notification not later than the fourth trading day after the AFM has published the Company's notification in the public register of the AFM. Shareholders are advised to consult with their own legal advisers to determine whether the gross short selling notification obligation applies to them.

In addition, pursuant to Regulation (EU) No. 236/2012, each person holding a net short position attaining 0.2% of the issued share capital of a Dutch listed company is required to notify such position to the AFM. Each subsequent increase of this position by 0.1% above 0.2% must also be notified. Each net short position equal to 0.5% of the issued share capital of a Dutch listed company and any subsequent increase of that position by 0.1% will be made public via the AFM short selling register. To calculate whether a natural person or legal person has a net short position, their short positions and long positions must be set off. A short transaction in a share can only be contracted if a reasonable case can be made that the shares sold can actually be delivered, which requires confirmation of a third party that the shares have been located.

### ***Obligations of Directors to Disclose Holdings***

Pursuant to the Dutch FMSA, each Director must notify the AFM: (i) immediately following appointment, of the number of Shares he/she holds and the number of votes he/she is entitled to cast in respect of the Company's issued share capital; and (ii) subsequently of each change in the number of Shares he/she holds and of each change in the number of votes he/she is entitled to cast in respect of the Company's issued share capital, immediately after the relevant change. If a Director has notified a transaction to the AFM under the Dutch FMSA as described under "*Obligations of Shareholders to Disclose Holdings*" above, such notification is sufficient for purposes of the Dutch FMSA as described in this paragraph.

Furthermore, pursuant to Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the **Market Abuse Regulation**), which entered into force on 3 July 2016 and which is directly applicable in the Netherlands, persons discharging managerial responsibilities must notify the AFM and the Company of any transactions conducted for his or her own account relating to Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto.

Persons discharging managerial responsibilities within the meaning of the Market Abuse Regulation include: (i) directors; or (ii) members of the senior management who have regular access to inside information relating directly or indirectly to that entity and the authority to take managerial decisions affecting the future developments and business prospects of the Company.

In addition, pursuant to the Market Abuse Regulation and the regulations promulgated thereunder, certain persons who are closely associated with persons discharging managerial responsibilities, are also required to notify the AFM and the Company of any transactions conducted for their own account relating to Shares or any debt instruments of the Company or to derivatives or other financial instruments linked thereto. The Market Abuse Regulation and the regulations promulgated thereunder cover, *inter alia*, the following categories of persons: (i) the spouse or any partner considered by national law as equivalent to the spouse; (ii) dependent children; (iii) other relatives who have shared the same household for at least one year at the relevant transaction date; and (iv) any legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to under (i), (ii) or (iii) above, which is directly or indirectly controlled by such a person, which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such person.

These notification obligations under the Market Abuse Regulation apply when the total amount of the transactions conducted by a person discharging managerial responsibilities or a person closely associated with a person discharging managerial responsibilities reaches or exceeds the threshold of €5,000 within a calendar year (calculated without netting). When calculating whether the threshold is reached or exceeded, persons discharging managerial responsibilities must add any transactions conducted by persons closely associated with them to their own transactions and vice versa. The first transaction reaching or exceeding the threshold must be notified as set out above. The notifications pursuant to the Market Abuse Regulation described above must be made to the AFM and the Company no later than the third business day following the relevant transaction date.

Pursuant to the secondary listing of the Prosus Ordinary Shares N on the JSE, the Company will also announce any notification made to the AFM regarding a transaction concluded by a Director on SENS.

### ***Non-compliance***

Non-compliance with the notification obligations under the Market Abuse Regulation and the Dutch FMSA, set out in the paragraphs above, is an economic offence (*economisch delict*) and could lead to the imposition of criminal fines, administrative fines, imprisonment or other sanctions. The AFM may impose administrative penalties or a cease-and-desist order under penalty for non-compliance. If criminal charges are instituted, the AFM is no longer allowed to impose administrative penalties and, vice versa, the AFM is no longer allowed to seek criminal prosecution if administrative penalties have been imposed. Furthermore, a civil court can impose measures against any person who fails to notify or incorrectly notifies the AFM of matters required to

be correctly notified. A claim requiring that such measures be imposed must be instituted by the Company and/or one or more shareholders who alone or together with others represent(s) at least 3% of the Company's issued share capital or is/are able to exercise at least 3% of the voting rights. The measures that the civil court may impose include: an order requiring the person violating the disclosure obligations under the Dutch FMSA to make appropriate disclosure; suspension of the voting rights in respect of such person's shares for a period of up to three years as determined by the court; voiding of a resolution adopted by the General Meeting, if the court determines that the resolution would not have been adopted but for the exercise of the voting rights of the person who is obliged to notify; or suspension of a resolution until the court makes a decision about such voiding and an order to the person violating the disclosure obligations under the Dutch FMSA to refrain, during a period of up to five years, as determined by the court, from acquiring the shares and/or voting rights in the shares.

### ***Public Registry***

The AFM does not issue separate public announcements of these notifications. It does, however, keep a public register of all notifications under the Dutch FMSA on its website: [www.afm.nl](http://www.afm.nl). Third parties can request to be notified automatically by e-mail of changes to the public register in relation to a particular company's shares or a particular notifying party.

### ***Identity of Shareholders***

Dutch listed companies may request Euroclear Nederland, admitted institutions, intermediaries, institutions abroad, and managers of investment institutions, to provide certain information on the identity of their shareholders. Such requests may only be made during a period of 60 days up to the day on which the general meeting of shareholders will be held. No information will be given on shareholders with an interest of less than 0.5% of the issued share capital. A shareholder who, individually or together with other shareholders, holds an interest of at least 10% of the issued share capital may request the company to establish the identity of its shareholders. This request may only be made during a period of 60 days until (and not including) the 42 days before the day on which the general meeting will be held.

### **Related Party Transactions**

Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, establishes requirements in relation to the exercise of certain shareholder rights attached to voting shares in relation to general meetings of companies which have their registered office in a member state of the European Union and the shares of which are admitted to trading on a regulated market situated or operating within a member state of the European Union.

The Dutch Act to implement the Shareholders Rights Directive II (*bevoordering van de langetermijnbetrokkenheid van aandeelhouders*, the **Dutch SRD Act**) was adopted by the Dutch parliament on 5 November 2019 and entered into force on 1 December 2019. The Dutch SRD Act, among other things, adds new rules on related party transactions to the Dutch Civil Code and provides that "*material transactions*" with "*related parties*" not entered into within the ordinary course of business or not concluded on normal market terms, will need to be approved by, in the case of a one-tier board, the (non-executive members of the) board of directors, and be publicly announced at the time that the transaction is entered into. If following the Market Abuse Regulation the information should be published at an earlier stage, that requirement prevails.

Any director or shareholder that is "*involved*" in the related party transaction cannot participate in the deliberations or decision making thereon. In this context: a "*related party*" is interpreted in accordance with IFRS-EU (International Accounting Standards (**IAS**) 24 (*Related Party Disclosures*)) and includes a party that has "*control*" or "*significant influence*" over the company or is a member of the company's key management personnel; and a transaction is considered "*material*" if it would constitute inside information within the meaning of the Market Abuse Regulation and is concluded between the company and a related party (which for this purpose, and in line with the Dutch Corporate Governance Code, in any event includes one or more

shareholders representing at least 10% of the issued share capital or a managing director or supervisory director). Certain transactions are not subject to the approval and disclosure provisions of the Dutch SRD Act (for example, transactions concluded between a company and its subsidiary).

## **Market Abuse Regime**

### ***Dutch Market Abuse Regime***

#### *Reporting of Insider Transactions*

The regulatory framework on market abuse is laid down in the Market Abuse Directive (2014/57/EU) as implemented in Dutch law and the Market Abuse Regulation.

Pursuant to the Market Abuse Regulation, no natural or legal person is permitted to: (i) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market or for which a listing has been requested, such as the Prosus Ordinary Shares N; (ii) recommend that another person engages in insider dealing or induce another person to engage in insider dealing; or (iii) unlawfully disclose inside information relating to the Prosus Ordinary Shares N or the Company.

Furthermore, no person may engage in or attempt to engage in market manipulation.

The Company is required to inform the public, as soon as possible and in a manner that enables fast access and complete, correct and timely assessment of the information, of inside information which directly concerns the Company. Pursuant to the Market Abuse Regulation, inside information is knowledge of concrete information directly or indirectly relating to the issuer or the trade in its securities which has not yet been made public and publication of which could significantly affect the trading price of the securities (i.e. information a reasonable investor would be likely to use as part of the basis of his or her investment decision). An intermediate step in a protracted process can also be deemed to be inside information. The Company is required to post and maintain on its website all inside information for a period of at least five years. Under certain circumstances, the disclosure of inside information may be delayed, which needs to be notified to the AFM after the disclosure has been made. Upon request of the AFM, a written explanation needs to be provided setting out why a delay of the publication was considered permitted.

A person discharging managerial responsibilities is not permitted to (directly or indirectly) conduct any transactions on his/her own account or for the account of a third party, relating to Shares or debt instruments of the Company or other financial instruments linked thereto, during a closed period of 30 calendar days before the announcement of a half-yearly report or a management report of the Company.

#### *Non-compliance with the Market Abuse Regulation*

In accordance with the Market Abuse Regulation, the AFM has the power to take appropriate administrative sanctions, such as fines, and/or other administrative measures in relation to possible infringements. Non-compliance with the market abuse rules set out above could also constitute an economic offence and/or a crime (*misdrif*) and could lead to the imposition of administrative fines by the AFM. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are instituted, it is no longer allowed to impose administrative penalties and vice versa.

The AFM shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the Market Abuse Regulation.

### ***South African Market Abuse Regime***

#### *Reporting of Insider Transactions*

The regulatory framework on market abuse is laid down in the South African Financial Markets Act.

Pursuant to the South African Financial Markets Act, no natural or legal person is permitted to: (i) engage or attempt to engage in insider dealing in financial instruments listed on a regulated market; (ii) recommend that another person engages in insider dealing or induce another person to engage in insider dealing; or (iii) disclose inside information to another person (apart from under very limited circumstances). Furthermore, no person may engage in or attempt to engage in market manipulation.

#### *Non-compliance with South African Market Abuse Rules*

In accordance with the South African Financial Markets Act, the South African Financial Sector Conduct Authority has the power to take appropriate administrative sanctions, such as fines, and/or other administrative measures in relation to possible infringements. Non-compliance with the market abuse rules set out above could also constitute a crime. The public prosecutor, failing which the South African Financial Sector Conduct Authority, could press criminal charges resulting in fines or imprisonment. If criminal charges are instituted, it is no longer allowed to impose administrative penalties and vice versa.

The South African Financial Sector Conduct Authority shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the South African Financial Markets Act.

#### **Code of Business Conduct and Ethics**

The Company has adopted a code of business conduct and ethics in respect of the reporting and regulation of transactions in the Company's securities by Directors and its employees, which has been effective as at the first listing of the Prosus Ordinary Shares N on 11 September 2019.

The Company and any person acting on its behalf or on its account is obligated to draw up an insider list, to promptly update the insider list and provide the insider list to the AFM upon its request. The Company and any person acting on its behalf or on its account is obligated to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider dealing and unlawful disclosure of inside information.

#### **Transparency Directive**

The Netherlands is the Company's home member state for the purposes of Directive 2004/109/EC (as amended by Directive 2013/50/EU), as a consequence of which the Company will be subject to the Dutch FMSA in respect of certain ongoing transparency and disclosure obligations.

#### **JSE Listings Requirements**

JSE Limited has approved the Admission to the JSE in accordance with the JSE Listings Requirements and this Prospectus has been filed with and approved by JSE Limited in accordance with Section 16 of the JSE Listings Requirements.

As a JSE-secondary listed issuer, the JSE will allow the requirements of the Company's primary exchange, Euronext Amsterdam, to take precedence with the following exceptions:

- the annual accounts and any other communication with shareholders must state where the primary and secondary listings of the Company's securities are;
- when the Company wishes to release any information on another exchange, it must ensure that such information is also released on SENS and that such release takes place no later than the equivalent release on any other stock exchange provided that, if the JSE is not open for business, it must ensure that such information is released through SENS at the commencement of business on the next business day. The announcement must be submitted via the applicant issuer's JSE sponsor, albeit that the announcement does not require the approval of the JSE sponsor;



- to the extent that notifications are made to the AFM (or the Company, as applicable) pursuant to the Dutch FMSA and/or the Market Abuse Regulation, by: (i) the Directors in respect of holdings in the Company; (ii) shareholders or other relevant persons in respect of holdings in the Company; or persons discharging managerial responsibilities (within the meaning of the Market Abuse Regulation) in relation to the Company, as well as certain persons who are closely associated with persons discharging managerial responsibilities in respect of the Company, in respect of transactions conducted for their own account relating to the Shares, the debt instruments of the Company or the derivatives or other financial instruments linked thereto (as contemplated in "*Obligations to Disclose Holdings*"), the Company will, pursuant to the Admission to the JSE, announce such notifications on SENS;
- the Company must publish, in its interim and year-end results, headline earnings per share and diluted headline earnings per share together with an itemised reconciliation between headline earnings and the earnings used in the calculation; and
- the Company must advise, and obtain approval from, the JSE with regard to the timetables for corporate actions stipulated in the relevant corporate action timetable. The Company must ensure that the JSE is notified in advance in order to ensure that the JSE can accommodate the processing of these corporate actions for shareholders whose shares are listed and trading on the JSE.

The Prosus Ordinary Shares N are also listed on the A2X, which is a venue of secondary listing in South Africa. A2X Proprietary Limited does not impose any additional requirements on the Company in connection with the listing and trading of the Prosus Ordinary Shares N on the A2X, other than that any announcements issued by the Company on SENS must also be released on the A2X news service, and defers to the JSE Listings Requirements and the decision(s) of JSE Limited in relation to matters concerning the admission to listing and trading of the Prosus Ordinary Shares N on the A2X.

## TAXATION

### Taxation in the Netherlands

The following summary gives an overview of the material Dutch tax consequences of the acquisition, holding, settlement, redemption and disposal of New Prosus Ordinary Shares N. For purposes of Dutch tax law, a holder of New Prosus Ordinary Shares N may include an individual or entity who does not have the legal title to these New Prosus Ordinary Shares N, but to whom the New Prosus Ordinary Shares N or the income thereof is nevertheless attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the New Prosus Ordinary Shares N or the income thereof. This summary is intended as general information only and the Company recommends that each prospective investor should obtain professional tax advice with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of New Prosus Ordinary Shares N.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, as in force as at the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Dutch corporate and individual income tax consequences for:

- investment institutions (*fiscale beleggingsinstellingen*);
- pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other Dutch tax resident entities that are not subject to or exempt from Dutch corporate income tax;
- corporate holders of New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) which qualify for the participation exemption (*deelnemingsvrijstelling*) or would qualify for the participation exemption had the corporate holders of New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) been resident in the Netherlands or which qualify for participation credit (*deelnemingsverrekening*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption or participation credit if it represents an interest of 5% or more of the nominal paid-up share capital;
- holders of New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company (or Naspers, as the case may be) and holders of New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) of whom a certain related person holds a substantial interest in the Company (or Naspers, as the case may be). Generally speaking, a substantial interest in the Company (or Naspers, as the case may be) arises if a person, alone or, where such person is an individual, together with his or her partner (as per the statutory definition), directly or indirectly, holds or is deemed to hold: (a) an interest of 5% or more of the total issued capital of the Company (or Naspers, as the case may be) or 5% or more of the issued capital of a certain class of shares of the Company (or Naspers, as the case may be); (b) rights to acquire, directly or indirectly, such interest; or (c) certain profit-sharing rights in the Company (or Naspers, as the case may be);
- persons to whom the New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) and the income from the New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Dutch Income Tax Act;
- entities which are residents of Aruba, Curaçao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) are attributable to such permanent establishment or permanent representative;

- holders of New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) which are not considered the beneficial owners (*uiteindelijk gerechtigde*) of these New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) or the benefits derived from or realised in respect of these New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be); and
- individuals for whom New Prosus Ordinary Shares N (or Naspers N Ordinary Shares, as the case may be) or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Any reference hereafter made to a treaty for the avoidance of double taxation (and the prevention of fiscal evasion) concluded by the Netherlands includes the tax regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the tax regulation for the Country of the Netherlands (*Belastingregeling voor het land Nederland*) and the agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the Avoidance of Double Taxation.

### ***Exchange Offer***

For Dutch corporate income tax and individual income tax purposes, the issuance by the Company of New Prosus Ordinary Shares N is not considered to constitute taxable income.

The exchange of Naspers N Ordinary Shares for New Prosus Ordinary Shares N is for Dutch corporate income tax and individual income tax purposes considered a taxable disposal of the Naspers N Ordinary Shares (other than for holders of shares in Naspers that are taxed on such shares on the basis of savings and investments (*sparen en beleggen*) as outlined under "*—Corporate and Individual Income Tax*") followed by an acquisition of the relevant New Prosus Ordinary Shares N. The gain is equal to the fair market value of the relevant New Prosus Ordinary Shares N and is taxed at the rate as described with respect to holders of New Prosus Ordinary Shares N in the subsection entitled "*—Corporate and Individual Income Tax*".

The issuance by the Company of New Prosus Ordinary Shares N and the subsequent exchange of Naspers N Ordinary Shares for New Prosus Ordinary Shares N will not be subject to withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

### ***Dividend Withholding Tax***

#### ***Withholding Requirement***

The Company is required to withhold 15% Dutch dividend withholding tax in respect of dividends paid on the New Prosus Ordinary Shares N. Generally, Dutch dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the New Prosus Ordinary Shares N. In the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from shares, which include:

- direct or indirect distributions of profit, regardless of their name or form;
- liquidation proceeds, proceeds on redemption of the New Prosus Ordinary Shares N and, as a rule, the consideration for the repurchase of the New Prosus Ordinary Shares N by the Company in excess of its average paid-up capital recognised for Dutch dividend withholding tax purposes, unless a particular statutory exemption applies;

- the nominal value of New Prosus Ordinary Shares N issued to a holder of the New Prosus Ordinary Shares N or an increase of the nominal value of the New Prosus Ordinary Shares N, insofar as the (increase in the) nominal value of the New Prosus Ordinary Shares N is not funded out of the Company's paid-up capital as recognised for Dutch dividend withholding tax purposes; and
- partial repayments of paid-up capital recognised for Dutch dividend withholding tax purposes, if and to the extent there are qualifying profits (*zuivere winst*), unless the General Meeting has resolved in advance to make such repayment and provided that the nominal value of the Prosus Ordinary Shares N concerned has been reduced by an equal amount by way of an amendment of the Articles of Association and the paid-up capital is recognised as capital for Dutch dividend withholding tax purposes. The term "qualifying profits" includes anticipated profits that have yet to be realised.

#### *Residents of the Netherlands*

If a holder of New Prosus Ordinary Shares N is a resident or deemed to be a resident of the Netherlands for Dutch corporate or individual income tax purposes, Dutch dividend withholding tax which is withheld with respect to proceeds from the New Prosus Ordinary Shares N will generally be creditable for Dutch corporate income tax or Dutch individual income tax purposes.

#### *Non-residents of the Netherlands*

If a holder of New Prosus Ordinary Shares N is a resident of a country other than the Netherlands and if a treaty for the avoidance of double taxation with respect to taxes on income is in effect between the Netherlands and that country, and such holder is a resident for the purposes of such treaty, such holder may, depending on the terms of that particular treaty, qualify for full or partial relief at source or for a refund in whole or in part of Dutch dividend withholding tax.

A refund of Dutch dividend withholding tax is available to entities resident in another member state of the European Union, Norway, Iceland or Liechtenstein provided that these entities: (i) are not subject to corporate income tax there; (ii) would not be subject to Dutch corporate income tax, if these entities would be tax resident in the Netherlands for corporate income tax purposes; and (iii) are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Dutch dividend withholding tax may be available to entities resident in other countries, under the additional condition that: (i) the New Prosus Ordinary Shares N are considered portfolio investments for purposes of Article 63 (taking into account Article 64) of the Treaty on the functioning of the European Union; and (ii) the Netherlands can exchange information with this other country in line with international standards for the exchange of information.

A (partial) refund of Dutch dividend withholding tax is available to a holder of New Prosus Ordinary Shares N resident in another member state of the European Union, Norway, Iceland or Liechtenstein if: (i) this holder of New Prosus Ordinary Shares N is not subject to Dutch individual income tax or Dutch corporate income tax with respect to the income from the New Prosus Ordinary Shares N; (ii) such Dutch dividend withholding tax is higher than the Dutch individual income tax or Dutch corporate income tax would have been higher had this holder of New Prosus Ordinary Shares N been tax resident in the Netherlands, after taking into account a possible refund based on the Dutch Dividend Withholding Tax Act 1965 (*Wet op de dividendbelasting 1965*) or a refund based on a treaty for the avoidance of double taxation with respect to taxes on income; (iii) no credit based on a treaty for the avoidance of double taxation with respect to taxes on income is granted in the state in which the holder of New Prosus Ordinary Shares N is tax resident, for the full amount of Dutch dividend withholding tax withheld; and (iv) this holder of New Prosus Ordinary Shares N does not have a similar function as an investment institution (*fiscale beleggingsinstelling*) or exempt investment institution (*vrijgestelde beleggingsinstelling*). Furthermore, a similar refund of Dutch dividend withholding tax may be available to a holder of New Prosus Ordinary Shares N resident in another country, under the additional conditions that: (a) the New Prosus Ordinary Shares N are considered portfolio investments for purposes of Article 63 (taking into account Article 64) of the Treaty on the functioning of the European Union; and (b) the

Netherlands can exchange information with this other country in line with international standards for the exchange of information.

#### *U.S. Residents*

A holder of New Prosus Ordinary Shares N who is a resident in the United States and is entitled to the benefits of the U.S.-NL Tax Treaty will be entitled to a refund of the Dutch dividend withholding tax by way of an exemption or refund if the holder of New Prosus Ordinary Shares N is an exempt pension trust as described in Article 35 of the U.S.-NL Tax Treaty, or an exempt organisation as described in Article 36 of the U.S.-NL Tax Treaty.

#### *Beneficial Owner*

A recipient of proceeds from the New Prosus Ordinary Shares N will not be entitled to any exemption, reduction, refund or credit of Dutch dividend withholding tax if such recipient is not considered to be the beneficial owner of such proceeds. The recipient will not be considered the beneficial owner of these proceeds if, in connection with such proceeds, the recipient has paid a consideration as part of a series of transactions in respect of which it is likely:

- that the proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:
  - as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend withholding tax; or
  - in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend withholding tax; and
- that such person or legal entity has, directly or indirectly, retained or acquired an interest in New Prosus Ordinary Shares N, profit-sharing certificates or loans, comparable to the interest it had in similar instruments prior to the series of transactions being initiated.

#### *Dutch Dividend Withholding Tax upon Redistribution of Foreign Dividends*

The Company must pay to the Dutch tax authorities all Dutch dividend withholding tax it withholds on dividends it distributed with respect to the New Prosus Ordinary Shares N. Provided certain conditions are met, the Company may apply a reduction or (partial) exemption with respect to the dividend withholding tax that it has to pay to the Dutch tax authorities. This reduction can be applied if the Company distributes dividends that stem from dividends the Company itself has received from certain qualifying non-Dutch subsidiaries, provided that these dividends that the Company has received are exempt from Dutch corporate income tax and were subject to a withholding tax of at least 5% upon distribution to the Company. The reduction is applied to the Dutch dividend withholding tax that the Company must pay to the Dutch tax authorities and not to the amount of the Dutch dividend withholding tax that the Company must withhold. The reduction is equal to the lesser of:

- 3% of the amount of the dividends distributed by the Company that are subject to Dutch dividend tax; and
- 3% of the gross amount of the dividends received during a certain period from the qualifying non-Dutch subsidiaries.

## ***Corporate and Individual Income Tax***

### *Residents of the Netherlands*

If a holder of New Prosus Ordinary Shares N is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch corporate income tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of an enterprise to which the New Prosus Ordinary Shares N are attributable, income derived from the New Prosus Ordinary Shares N and gains realised upon the redemption, settlement or disposal of the New Prosus Ordinary Shares N are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If a holder of New Prosus Ordinary Shares N is an individual and is a resident of the Netherlands or deemed to be a resident of the Netherlands for Dutch individual income tax purposes, income derived from the Prosus Ordinary Shares N and gains realised upon the redemption, settlement or disposal of the Prosus Ordinary Shares N are taxable at the progressive rates (at up to a maximum rate of 49.50%) under the Dutch Income Tax Act, if:

- the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the New Prosus Ordinary Shares N are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*) to which enterprise the New Prosus Ordinary Shares N are attributable; or
- such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include activities with respect to the New Prosus Ordinary Shares N that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither of the above conditions applies to the holder of the New Prosus Ordinary Shares N, taxable income with regard to the New Prosus Ordinary Shares N must be determined on the basis of a deemed return on savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on savings and investments is fixed at a percentage of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the New Prosus Ordinary Shares N will be included as an asset in the individual's yield basis. The deemed return percentage to be applied to the yield basis increases progressively depending on the amount of the yield basis. The deemed return on savings and investments is taxed at a rate of 31%.

### *Non-residents of the Netherlands*

If a person is neither a resident of the Netherlands nor is deemed to be a resident of the Netherlands for Dutch corporate income tax or Dutch individual income tax purposes, such person is not liable to Netherlands income tax in respect of income derived from the New Prosus Ordinary Shares N and gains realised upon the redemption or disposal of the New Prosus Ordinary Shares N, unless:

- the person is not an individual and such person: (1) has an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which permanent establishment or a permanent representative the New Prosus Ordinary Shares N are attributable; or (2) is, other than by way of securities, entitled to a share in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which enterprise the New Prosus Ordinary Shares N are attributable. This income is subject to Dutch corporate income tax at up to a maximum rate of 25%;
- the person is an individual and such individual: (1) has an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in

the Netherlands to which permanent establishment or permanent representative the New Prosus Ordinary Shares N are attributable; or (2) realises income or gains with respect to the New Prosus Ordinary Shares N that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands which include activities with respect to the New Prosus Ordinary Shares N that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*); or (3) is, other than by way of securities, entitled to a share in the profits of an enterprise that is effectively managed in the Netherlands and to which enterprise the New Prosus Ordinary Shares N are attributable.

Income derived from the New Prosus Ordinary Shares N as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 49.50%. Income derived from a share in the profits of an enterprise as specified under (3) that is not already included under (1) or (2) will be taxed on the basis of a deemed return on income from savings and investments.

#### *Gift and Inheritance Tax*

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the New Prosus Ordinary Shares N by way of gift by, or on the death of, a holder of the New Prosus Ordinary Shares N, unless:

- the holder of the New Prosus Ordinary Shares N is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- the transfer is construed as an inheritance or gift 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 the purpose of the relevant provisions.

#### *Value Added Tax*

In general, no value added tax will arise in respect of payments in consideration for the issue of the Prosus Ordinary Shares N or in respect of a cash payment made under the New Prosus Ordinary Shares N, or in respect of a transfer of New Prosus Ordinary Shares N.

#### *Other Taxes and Duties*

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the New Prosus Ordinary Shares N.

#### *Residence*

A holder of New Prosus Ordinary Shares N will not become or be deemed to become a resident of the Netherlands solely by reason of holding these New Prosus Ordinary Shares N.

### **Taxation in South Africa**

The following is a summary of the South African tax considerations which are relevant for investors which are to acquire, hold and dispose of New Prosus Ordinary Shares N. This summary is based on the Company's understanding of the applicable laws, regulations, treaties and regulatory interpretations in effect in South Africa on the date of this Prospectus, all of which are subject to change, including changes that could have a retrospective effect.

This summary does not purport to address all tax consequences associated with the acquisition, ownership and disposal of the New Prosus Ordinary Shares N, and does not take into account the specific circumstances of any particular investor or the tax laws of any country other than South Africa.

The summary of South African income tax consequences set out below is for general information only. All shareholders should consult their tax advisers regarding the particular tax consequences applicable to them in relation to the Transaction, including the applicability and effect of other tax laws and possible changes in tax law.

The South African income tax system is a residence-based system of taxation, in terms of which South African tax residents are subject to tax in South Africa on their worldwide income. Persons that are non-resident for South African tax purposes are subject to tax on income derived from a South African source.

A natural person is a South African tax resident if he or she is "*ordinarily resident*" in South Africa or, if not "*ordinarily resident*" in South Africa, was physically present in South Africa for certain prescribed periods within a continuous six-year period. These periods require a physical presence in South Africa of more than 91 days in each of the six years and more than 915 days during the first five years.

A person other than a natural person (i.e. a juristic person or a trust) is a South African tax resident if it is incorporated, established or formed in South Africa or if its place of effective management is located in South Africa.

The definition of a resident specifically excludes any person who is deemed to be exclusively a resident of another country for purposes of an applicable agreement for the avoidance of double taxation entered into between South Africa and the other relevant jurisdiction. Shareholders with questions regarding their tax residency should consult their tax advisers.

### ***Exchange Offer***

The exchange of Naspers N Ordinary Shares in return for New Prosus Ordinary Shares N will be regarded as a disposal of the Naspers N Ordinary Shares in the hands of the participating shareholder. This disposal will give rise to either a capital or revenue receipt or accrual in the hands of the participating shareholder. As dealt with further below, capital gains are subject to a lower effective tax rate than revenue amounts. This is because only a portion (the inclusion amount) of a capital gain is included in a taxpayer's taxable income and then subjected to normal income tax.

In determining whether the amount derived from the disposal of shares is of a capital or revenue nature, regard should be had to section 9C of the Income Tax Act, 1962 (the **Income Tax Act**), which in general deems any amounts received or accrued from the disposal of shares to be capital in nature if the taxpayer immediately prior to such disposal had been the owner of that share for a continuous period of at least three years, subject to certain exclusions. Where section 9C is not applicable to particular shares, then the capital or revenue nature of the amount derived from the disposal of the shares must be determined by applying the common law tests that the South African courts have formulated, including, among other things, the intention of the holder of the shares in acquiring, holding and disposing of the shares. Profits derived from the disposal of South African shares held as long-term investments are generally regarded as profits of a capital nature.

***The proceeds derived by each participating shareholder in respect of the disposal of the Naspers N Ordinary Shares will be an amount equal to the market value of the New Prosus Ordinary Shares N (including any fractional entitlements) received by or accruing to the participating shareholder. A South African shareholder may realise a capital gain or capital loss for South African tax purposes, depending on whether the proceeds derived from the disposal exceed the shareholder's base cost in the Naspers N Ordinary Shares. In general, the base cost of an asset will be the acquisition cost of such asset (subject to possible further adjustments provided by the Income Tax Act).***

A prescribed portion (ranging from 40% (in the case of a natural person) to 80% (in the case of a company or a trust)) of a net capital gain realised by a South African tax resident investor will be included in normal taxable income and subject to tax at the applicable rate. The maximum effective tax rates applicable are 18% in the case of a natural person, 22.4% in the case of an ordinary company, 36% in the case of a trust and 18% in the case of a special trust. Capital losses may only be set off against capital gains realised in the same or any



subsequent tax year. In the case of South African tax resident shareholders who are natural persons, an annual exclusion amount of ZAR40,000 is deducted from any capital gain realised in any tax year.

The New Prosus Ordinary Shares N acquired by or accruing to a participating shareholder (including any fractional entitlements) will have a tax base cost equal to the market value of the Naspers N Ordinary Shares offered in exchange. Effectively, participating in the Exchange Offer results in an acceleration of tax for certain South African tax resident Shareholders (i.e. taxable shareholders).

Only whole number New Prosus Ordinary Shares N will be issued and where fractional entitlements to New Prosus Ordinary Shares N arise, such fractions will be rounded down to the first whole number with any remaining fractional entitlements to Naspers N Ordinary Shares being sold. The cash proceeds of such fractional entitlements sold on behalf and at the risk of such Naspers N Shareholders will be determined in accordance with the JSE Listings Requirements and paid to the relevant Naspers N Shareholder in its JSE Brokerage Account or to a nominee account to be held on behalf and for the benefit of the relevant Naspers N Shareholder in accordance with the JSE Listings Requirements.

The selling of New Prosus Ordinary Shares N fractions will be a disposal for the relevant shareholder on whose behalf the fractions are sold, which disposal is a distinct and separate event from the disposal of Naspers N Ordinary Shares described above. The gain or loss that may result will be determined by deducting the tax base cost of the fraction disposed of from the cash proceeds accruing to a particular shareholder. The tax base cost of the fractions disposed will be an amount which bears to the total tax base cost of the New Prosus Ordinary Shares N acquired (including any fractional entitlement), the same proportion as the market value of the fraction disposed of bears to the market value of the New Prosus Ordinary Shares N (including any fractional entitlements) received by or having accrued to the shareholder immediately prior to the disposal.

South African tax residents will be subject to income tax at the applicable rates (i.e. up to 45% for individuals and special trusts, 28% for companies and 45% for trusts) on the profits arising upon the disposal of Naspers N Ordinary Shares and New Prosus Ordinary Share N fractions, if these shares were held for speculative purposes (i.e. as trading stock as opposed to capital assets) and disposed of pursuant to a scheme of profit making.

Non-South African tax resident Shareholders, whose shares are not attributable to a permanent establishment in South Africa, should fall outside the scope of South African tax insofar as it relates to the disposal of the Naspers N Ordinary Shares as well as New Prosus Ordinary Shares N (or fractions thereof) – as Naspers and the Company are not so-called "land rich" companies, i.e. Naspers N Ordinary Shares and New Prosus Ordinary Shares N should not constitute an "interest in immovable property situated in the Republic" for South African capital gains tax purposes.

Securities Transfer Tax (STT) at a rate of 0.25% of the taxable amount (which is, generally, the consideration for which a security is transferred) is a tax levied on, *inter alia*, a transfer of beneficial ownership of a security issued by a company which is listed in South Africa (i.e. a disposal of a Naspers N Ordinary Share). There is no STT payable on the issue of a share by a company.

STT will accordingly be payable upon a transfer of beneficial ownership of Naspers N Ordinary Shares. In the context of listed shares, STT is normally payable by the Brokers and transfer secretaries (and recoverable from the transferee, i.e. STT on the Naspers N Ordinary Shares that are exchanged for New Prosus Ordinary Shares N will be a cost for the Company, not the transferor shareholder of the Naspers N Ordinary Shares).

### ***Future Distributions***

A monetary amount paid by the Company to a South African tax resident shareholder, in respect of a New Prosus Ordinary Share N, will comprise either a "*foreign dividend*" or a "*foreign return of capital*" for South African income tax purposes. The determination of which form the amount comprises is made with reference to the treatment of the amount according to Dutch tax law relating to companies (or in the absence of tax law, Dutch company law). In essence, an amount will comprise a foreign dividend if treated as a dividend

or similar payment for purposes of Dutch tax laws applicable to companies, but does not include any amount so paid or payable that constitutes a share in the Company. An amount will comprise a foreign return of capital if that amount is paid or payable by the Company in respect of a share in the Company where the amount is treated as a distribution or similar payment (other than an amount that constitutes a foreign dividend) by the Company for purposes of the laws relating to tax on income on companies in the Netherlands (or in the absence of tax law, Dutch company law), but does not include any amount so paid or payable to the extent that the amount is deductible by the Company in determination of any tax on income of companies in the Netherlands or constitutes a share in the Company. The taxation of foreign dividends and foreign returns of capital differs and is set out below.

### ***Foreign Dividends***

Distributions made in respect of the New Prosus Ordinary Shares N will generally comprise dividends for Dutch income tax purposes, which will be treated as foreign dividends for South African income tax purposes.

Foreign dividends may be subject to one or more of the following layers of taxation:

- South African income tax (in the hands of the shareholders);
- South African dividends tax (withheld by the Company, Broker or transfer secretary); and
- Dutch dividend withholding tax (withheld by the Company).

### ***South African Income Tax***

A foreign dividend which is received or accrues in respect of a share listed on the South African exchange is exempt from South African income tax. Any foreign dividend which is received, or which accrues to a South African shareholder in respect of a New Prosus Ordinary Share N listed on the JSE or the A2X, will accordingly be exempt from South African income tax in the hands of these shareholders. The exemption from income tax is applicable to all persons (i.e. natural persons and juristic persons).

A foreign dividend which is received or accrues to a South African tax resident shareholder in respect of a New Prosus Ordinary Share N that is not listed on a South African exchange (i.e. listed on Euronext Amsterdam) may be subject to South African income tax unless an exemption applies. Shareholders (whether alone or together with any other company forming part of the same group of companies as that person) holding at least 10% of the equity shares and voting rights in the Company may qualify for a complete exemption from income tax. Shareholders holding less than 10% of the equity share and voting rights in the company may qualify for a part-exemption from income tax, with the amount to be exempt from income tax being so much of the aggregate of any foreign dividends received or accrued to a person during any year of assessment as was not otherwise exempt and does not exceed an amount determined in accordance with the following formula:

$$A=B \times C$$

in which formula:

- (i) "A" represents the amount to be exempted for a year of assessment;
- (ii) "B" represents:
  - (aa) where the person is a natural person, deceased estate, insolvent estate or trust, the ratio of the number 25 to the number 45;
  - (bb) where the person is:
    - (A) a person other than a natural person, deceased estate, insolvent estate or trust; or

- (B) an insurer in respect of its company policyholder fund, corporate fund and risk policy fund,

the ratio of the number 8 to the number 28; or

- (cc) where the person is an insurer in respect of its individual policyholder fund, the ratio of the number 10 to the number 30; and

- (iii) "C" represents the aggregate of any foreign dividends received by or accrued to the person during a year of assessment that is not otherwise exempt from normal tax.

#### *South African Dividends Tax*

South Africa imposes a 20% withholding tax on foreign dividends (**South African Dividends Tax**) paid in respect of shares in foreign companies if the shares are listed on a South African exchange. All foreign dividends declared to South African tax resident shareholders of New Prosus Ordinary Shares N listed on the JSE or the A2X will accordingly be subject to South African Dividends Tax, unless the recipient of the dividend qualifies for an exemption. An exemption from South African Dividends Tax will apply if the beneficial owner of the dividend is, among others, a company which is a South African tax resident, a public benefit organisation, a pension fund, a pension preservation fund, a provident fund, a provident preservation fund, a retirement annuity fund, a benefit fund or a collective investment scheme in securities. Natural persons who are South African tax residents do not qualify for an exemption from South African Dividends Tax unless that dividend is paid in respect of a tax-free investment as contemplated in terms of Section 12T(1) of the Income Tax Act, 1962.

Dividends tax must be withheld by the appropriate Broker or transfer secretary unless the beneficial owner of the dividend qualifies for an exemption from dividends tax. Certain prescribed legal formalities must be complied with by the beneficial owner of a dividend to facilitate the process whereby no South African Dividends Tax will be withheld (with the beneficial owner essentially being required to have, by a date determined by the appropriate Broker or transfer secretary or, if the appropriate Broker or transfer secretary has not determined a date, by the date of payment of the dividend, submitted a declaration that the dividend is exempt from South African Dividends Tax and a written undertaking to inform the appropriate Broker or transfer secretary in writing should the circumstances change or should the beneficial owner cease to be the beneficial owner).

Dividends paid in respect of New Prosus Ordinary Shares N listed on Euronext Amsterdam fall outside the scope of South African Dividends Tax.

#### *Dutch Dividend Withholding Tax*

Dividends paid by the Company may also be subject to Dutch dividend withholding tax at a rate of 15% as described in "*Taxation – Taxation in the Netherlands – Dividend Withholding Tax*".

A South African resident shareholder of New Prosus Ordinary Shares N may, however, claim a tax rebate against the South African Dividends Tax/income tax due (if any) for Dutch dividend withholding tax payable in respect of such foreign dividend. This rebate shall be limited to the amount of South African dividends tax payable (if any) in respect of that foreign dividend.

A South African shareholder may also avail itself of the tax treaty between South Africa and the Netherlands for purposes of reducing Dutch withholding taxes. See "*Taxation – Taxation in the Netherlands – Dividend Withholding Tax – Non-residents of the Netherlands*".

#### *Foreign Return of Capital*

See the discussion below for more information regarding the taxation of a foreign return of capital.

## ***Future Disposals***

Persons who are tax resident in South Africa may be subject to capital gains tax upon the disposal of New Prosus Ordinary Shares N, if they hold the New Prosus Ordinary Shares N as capital assets. The disposal of New Prosus Ordinary Shares N held as revenue assets will be subject to ordinary income tax. The determination of whether shares are held as capital assets is generally a question of fact and depends primarily upon the intention with which the shares were acquired and held. It is assumed that New Prosus Ordinary Shares N will generally be acquired and held as capital assets. The South African income tax legislation does include certain safe harbour provisions, however, which treat certain amounts (excluding dividends) received by or accruing to a shareholder from the disposal of shares to be of a capital nature and therefore subject to capital gains tax (CGT), if the shareholder held those shares for a continuous period of at least three years immediately preceding the date of disposal. If the safe harbour provisions do not apply, the capital or revenue nature of the proceeds arising in respect of the disposal will be determined by applying South African common law principles.

### *Tax on Capital Gains*

Upon a disposal of New Prosus Ordinary Shares N, a South African shareholder may realise a capital gain or capital loss for South African tax purposes, depending on whether the proceeds derived from the disposal exceed the shareholder's base cost in the New Prosus Ordinary Shares N. In general, the base cost of an asset will be the acquisition cost of the asset in question (in the case of the Transaction, the market value of the Naspers N Ordinary Shares contributed by a particular person to the Company in return for the issue of New Prosus Ordinary Shares N).

A prescribed portion (ranging from 40% (in the case of a natural person) to 80% (in the case of a company or a trust)) of a net capital gain realised by a South African tax resident investor will be included in normal taxable income and subject to tax at the applicable rates. The maximum effective tax rates applicable are a maximum of 18% in the case of a natural person, 22.4% in the case of an ordinary company, 36% in the case of a trust and 18% in the case of a special trust.

Capital losses may only be set off against other capital gains realised in the same or any subsequent tax year. In the case of South African tax resident shareholders who are natural persons, an annual exclusion amount of ZAR40,000 is deducted from any capital gain realised in any tax year.

Any capital gains or loss realised in respect of the disposal of New Prosus Ordinary Shares N must, however, be disregarded where:

- (a) the shareholder (whether alone or together with any company forming part of the same group of companies as that person) immediately before that disposal:
  - (i) held an interest of at least 10% of the equity shares and voting rights in the Company; and
  - (ii) held the interest contemplated in (i) above for a period of at least 18 months prior to that disposal unless that:
    - (A) person is a company;
    - (B) interest was acquired by that person from any other company that forms part of the same group of companies as that person; and
    - (C) person and that other company in aggregate held that interest for more than 18 months; and

- (b) that interest is disposed of to any person that is not a resident (other than a controlled foreign company or any person that is a connected person in relation to the person disposing of that interest) for an amount that is equal to or exceeds the market value of the interest.

In circumstances where a person receives a foreign return of capital (and receives such amount prior to the disposal of its New Prosus Ordinary Shares N), such person must reduce its base cost for CGT purposes in its New Prosus Ordinary Shares N by the amount received. If the amount received exceeds the base cost of the New Prosus Ordinary Shares N, the excess portion will be treated as a capital gain in the hands of a holder of the New Prosus Ordinary Shares N for the year of assessment in which the foreign return of capital is received by or accrues to the holder of the New Prosus Ordinary Shares N and will be subject to CGT. A person must, however, disregard any capital gain determined in respect of any foreign return of capital received by or accrued to that person from the Company where that person (whether alone or together with any other person forming part of the same group of companies as that person) holds at least 10% of the total equity shares and voting rights in the Company.

### ***Income Tax***

South African tax residents will be subject to income tax on the proceeds arising upon the disposal of New Prosus Ordinary Shares N, if the New Prosus Ordinary Shares N are held for speculative purposes (i.e. as trading stock as opposed to capital assets) and disposed of pursuant to a scheme of profit making.

### ***Securities Transfer Tax***

STT at a rate of 0.25% of the taxable amount (which is, generally, the consideration for which a security is transferred) is a tax levied on, *inter alia*, a transfer of beneficial ownership of a security issued by a company which is listed in South Africa (i.e. a disposal of a New Prosus Ordinary Share N).

STT will accordingly be payable upon a transfer of beneficial ownership of New Prosus Ordinary Shares N listed on the JSE. In the context of listed shares, STT is normally payable by the Brokers and transfer secretaries (and recoverable from the transferee).

### **Taxation in the United States**

*This disclosure is limited to the United States federal income tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the United States federal tax treatment of the New Prosus Ordinary Shares N and the Naspers N Ordinary Shares. Prospective investors should seek their own advice based on their particular circumstances from independent tax advisers.*

The following describes certain United States federal income tax consequences of the disposition of Naspers N Ordinary Shares in the Exchange Offer and the acquisition, ownership and disposal of the New Prosus Ordinary Shares N received in the Exchange Offer. As used herein, the term **United States Holder** means a beneficial owner of New Prosus Ordinary Shares N or Naspers N Ordinary Shares that is for United States federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it: (A) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust; or (B)

has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

A **Non-United States Holder** is a beneficial owner of New Prosus Ordinary Shares N or Naspers N Ordinary Shares that is neither a partnership nor a United States Holder.

This discussion assumes that holders of New Prosus Ordinary Shares N and Naspers N Ordinary Shares hold those shares as capital assets within the meaning of Section 1221 of the Code (as defined below). This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a holder of New Prosus Ordinary Shares N or Naspers N Ordinary Shares, and does not address special considerations applicable to United States Holders that are subject to special treatment under the United States federal income tax laws, including if a prospective investor is:

- a trader or dealer in stocks, securities or currencies or notional principal contracts;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organisation;
- an accrual method holder who prepares an "applicable financial statement" (as defined in Section 451 of the Code);
- a person holding the New Prosus Ordinary Shares N or Naspers N Ordinary Shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting;
- an S corporation;
- a person who owns or is deemed to own (directly, indirectly or by attribution) 10% or more of the Company's or Naspers's stock by vote or value;
- a person who has ceased to be a U.S. citizen or a lawful permanent resident of the United States;
- a U.S. citizen or a lawful permanent resident living abroad; or
- a United States Holder whose "*functional currency*" is not the U.S. Dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the **Code**), its legislative history, and final, temporary and proposed regulations, published rulings and judicial decisions thereunder as at the date hereof as well as on the Convention between the United States of America and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (together with the protocol, the **Treaty**), and such authorities may be replaced, revoked or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those discussed below.

If an entity or arrangement treated as a partnership for United States federal income tax purposes holds the New Prosus Ordinary Shares N or Naspers N Ordinary Shares, the tax treatment of a partner in the entity or arrangement treated as a partnership for United States federal income tax purposes will generally depend upon

the status of the partner and the activities of the partnership. Partners of a partnership holding the New Prosus Ordinary Shares N or Naspers N Ordinary Shares should consult their tax advisers.

This discussion does not address the alternative minimum tax or Medicare tax on net investment income, the effects of any state, local or non-United States tax laws, the possible application of United States estate or gift taxes, or any taxes imposed under the Foreign Account Tax Compliance Act of 2010 (including the U.S. Treasury Regulations promulgated thereunder and any intergovernmental agreements entered into in connection therewith and any laws, regulations or practices adopted in connection with any such agreement). Investors should consult their own tax advisers concerning the United States federal income tax consequences of the acquisition, ownership and disposal of the New Prosus Ordinary Shares N or Naspers N Ordinary Shares in light of their particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

### ***Consequences of the Exchange Offer to United States Holders***

Although the matter is not free from doubt, the Company expects that the exchange of Naspers N Ordinary Shares for New Prosus Ordinary Shares N (and cash in lieu of any fractional shares) pursuant to the Exchange Offer will be a taxable sale for United States federal income tax purposes. Accordingly, a United States Holder of Naspers N Ordinary Shares that exchanges its shares for New Prosus Ordinary Shares N will realise gain or loss equal to the difference between the fair market value of the New Prosus Ordinary Shares N received (plus any cash received in lieu of a fractional Naspers N Ordinary Share) and the United States Holder's tax basis in the Naspers N Ordinary Shares surrendered. Subject to the discussion below of the PFIC rules, such gain or loss will be capital gain or loss. Gain or loss must be calculated separately for each block of Naspers N Ordinary Shares exchanged by the United States Holder. A United States Holder's adjusted basis in New Prosus Ordinary Shares N received pursuant to the Exchange Offer will be equal to the fair market value of such shares as of the date of the closing of the Exchange Offer, and the United States Holder's holding period in the New Prosus Ordinary Shares N will begin on the day after the closing of the Exchange Offer.

Notwithstanding the foregoing, in certain circumstances, the receipt of New Prosus Ordinary Shares N (plus any cash received in lieu of fractional Naspers N Ordinary Shares) pursuant to the Exchange Offer may be treated, in whole or in part, as a taxable redemption of Naspers N Ordinary Shares for United States federal income tax purposes, including as a result of Section 304 of the Code. To the extent the exchange is treated as a taxable redemption, then, instead of recognising gain or loss as described above, the applicable United States Holder may recognise dividend income in an amount equal to the fair market value of the New Prosus Ordinary Shares N received (plus any cash received in lieu of fractional Naspers N Ordinary Shares). Whether a United States Holder recognises dividend income will depend on the application of the tests set forth in Section 302 of the Code in light of such United States Holder's particular circumstances, including the application of constructive ownership rules. United States Holders should consult their tax advisers regarding the application of these rules to their particular circumstances and any actions that may be taken to mitigate the application of these rules.

The tax consequences to an exchanging Naspers N Shareholder depend, in part, upon whether Naspers is or has been a PFIC for any year during which the Naspers N Shareholder owned the Naspers N Ordinary Shares.

### ***PFIC Status of Naspers***

Generally, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which either: (a) at least 75% of its gross income is classified as "*passive income*"; or (b) at least 50% of the average quarterly value of its assets is attributable to assets that produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. For purposes of this analysis, the non-U.S. corporation is considered as holding directly its proportionate share of the assets of any corporation in which it owns at least 25%, by value, of the stock directly or indirectly (the 'look-through rule'). PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If a non-U.S. corporation is classified as a PFIC in any taxable year that a shareholder owns shares in such

corporation, it generally will continue to be treated as a PFIC for that shareholder in all succeeding taxable years, regardless of whether it continues to meet the definition of a PFIC in subsequent years.

Naspers expects that it has been a PFIC in prior taxable years and will be a PFIC for the current year. Accordingly, unless a valid "*qualified electing fund*" (a **QEF**) election or mark-to-market election (each discussed in greater detail below) is in effect, a United States Holder of Naspers N Ordinary Shares will be subject to special tax rules with respect to any gain or income realised from the exchange of Naspers N Ordinary Shares for New Prosus Ordinary Shares N. Under these special tax rules: (i) such gain or income will be allocated ratably over the United States Holder's holding period for the Naspers N Ordinary Shares; (ii) the amount allocated to the current taxable year and to any taxable year before Naspers was a PFIC will be treated as ordinary income; and (iii) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and an interest charge (at the rate generally applicable to underpayments of tax for the period from such year to the current year) will be imposed on the resulting tax attributable to each such year. Any loss recognised from the exchange of Naspers N Ordinary Shares for New Prosus Ordinary Shares N will be treated as capital loss, although the recognition of such loss may be subject to limitations.

#### *Qualified Electing Fund Election*

Naspers has provided, and intends to provide, United States Holders of Naspers N Ordinary Shares with the information that a United States Holder of Naspers N Ordinary Shares would need to make a QEF election (**QEF Information**). If a United States Holder of Naspers N Ordinary Shares has made a QEF election with respect to its Naspers N Ordinary Shares for its entire holding period (or the entire period that Naspers has been a PFIC, if shorter), any gain or income realised from the exchange of Naspers N Ordinary Shares for New Prosus Ordinary Shares N will not be taxed as if recognised ratably over the United States Holder's holding period or subject to an interest charge and instead may be treated as capital gain or loss. In addition, the basis of such Naspers N Ordinary Shares for New Prosus Ordinary Shares N will reflect any amounts of ordinary income or net capital gain that were included in income by the applicable United States Holder with respect to such Naspers N Ordinary Shares. United States Holders that have made a QEF election with respect to their Naspers N Ordinary Shares should consult their tax advisers about the U.S. federal income tax consequences of the Exchange Offer.

#### *Mark-to-Market Election*

Provided that certain conditions relating to the regular trading of Naspers N Ordinary Shares on a "qualified exchange" have been met in the past, a United States Holder of Naspers N Ordinary Shares may have been able to make a mark-to-market election with respect to such Naspers N Ordinary Shares. If such an election has been made, any gain from the exchange of Naspers N Ordinary Shares for New Prosus Ordinary Shares N will not be taxed as if recognised ratably over the United States Holder's holding period or subject to an interest charge but, instead, will be treated as ordinary income, and any losses will be treated as ordinary losses to the extent of any mark-to-market gains for prior years.

#### *Other Considerations*

An exchanging United States Holder of Naspers N Ordinary Shares subject to the PFIC rules discussed above is required to file IRS Form 8621 with respect to its ownership of Naspers N Ordinary Shares.

United States Holders of Naspers N Ordinary Shares should consult their tax advisers regarding the consequences of participating in the Exchange Offer, including any reporting requirements arising in connection with the Exchange Offer and considerations associated with having made a QEF election or mark-to-market election.



## ***Consequences of Owning and Disposing of the New Prosus Ordinary Shares N to United States Holders***

### *PFIC Status of the Company*

Based on the present nature of the Company's assets and income, the Company does not expect to be a PFIC for the current year, but no assurance can be given that the Company will not be a PFIC for the current year or any future taxable year. In particular, the Company's PFIC status depends in part on the market values of the Company's direct and indirect holdings, which are uncertain and subject to change. The Company's PFIC status also depends on complex rules related to: (i) the allocation of the inherent goodwill of the Company's direct and indirect holdings; and (ii) the application of the 'look-through rule' to the direct and indirect holdings of the Company, each of which may be subject to differing interpretations.

PFIC status is factual in nature, generally cannot be determined until the close of the taxable year in question, and is determined annually. If the Company is classified as a PFIC in any taxable year that a United States Holder of New Prosus Ordinary Shares N is a shareholder, the Company generally will continue to be treated as a PFIC for that United States Holder in all succeeding taxable years, regardless of whether the Company continues to meet the income or asset test described above.

If the Company were treated as a PFIC for any taxable year during which a United States Holder held New Prosus Ordinary Shares N, such United States Holder would be subject to special tax rules with respect to any "excess distribution" received and any gain realised from a sale or other disposition (including a pledge) of New Prosus Ordinary Shares N. Distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the United States Holder's holding period for New Prosus Ordinary Shares N will be treated as excess distributions. Under these special tax rules: (i) the excess distribution or gain will be allocated rateably over the United States Holder's holding period for the New Prosus Ordinary Shares N; (ii) the amount allocated to the current taxable year will be treated as ordinary income; and (iii) the amount allocated to each other year will be subject to tax at the highest tax rate in effect for that year and an interest charge (at the rate generally applicable to underpayments of tax for the period from such year to the current year) will be imposed on the resulting tax attributable to each such year. A United States Holder of New Prosus Ordinary Shares N will generally be subject to similar rules with respect to distributions to the Company by, and dispositions by the Company of the stock of, any direct or indirect subsidiaries of Naspers that are also PFICs (such subsidiaries, lower-tier PFICs).

Certain elections may be available that would result in alternative treatments of the New Prosus Ordinary Shares N. At this time, however, the Company does not intend to compile QEF Information for United States Holders of New Prosus Ordinary Shares N, so there can be no assurance that a QEF election will be available in respect of the Company. United States Holders should consult their tax advisers with respect to the PFIC rules and whether any election would be available and, if so, what the consequences of the alternative treatment would be in their particular circumstances.

The remainder of this discussion assumes that the Company is not, and will not become, a PFIC.

### *Taxation of Dividends*

The gross amount of distributions on the New Prosus Ordinary Shares N (including any amounts withheld to reflect Dutch withholding taxes) will be taxable as dividends to the extent paid out of the Company's current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including any withheld taxes) generally will be includable in gross income as ordinary income on the day actually or constructively received. Such dividends will not be eligible for the dividends received deduction allowed to corporations under the Code, but may be subject to a reduced rate of taxation as "qualified dividends" if the Company qualifies for such reduced rate pursuant to the Treaty.

The Company does not expect to determine earnings and profits in accordance with United States federal income tax principles. Therefore, United States Holders of New Prosus Ordinary Shares N should expect that a distribution will generally be treated as a dividend (as discussed above).

The amount of any dividend paid in Euro will equal the U.S. Dollar value of the Euro amount received, calculated by reference to the exchange rate in effect on the date the dividend is received, regardless of whether the Euro amount is converted into U.S. Dollars. If the Euro amount received as a dividend is converted into U.S. Dollars on the date it is received, a United States Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. If the Euro amount received as a dividend is not converted into U.S. Dollars on the date of receipt, a United States Holder of New Prosus Ordinary Shares N will have a basis in the Euro amount equal to their U.S. Dollar value on the date of receipt. Any gain or loss realised on a subsequent conversion or other disposition of the Euro amount will be treated as United States source ordinary income or loss.

Subject to certain conditions and limitations, Dutch withholding taxes on dividends may be treated as foreign taxes eligible for credit against, or deduction in computing, United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the New Prosus Ordinary Shares N will be treated as income from sources outside the United States and will generally constitute passive category income. The rules governing the foreign tax credit are complex. Investors are urged to consult their tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

#### *Taxation of Capital Gains*

United States Holders of New Prosus Ordinary Shares N generally will recognise taxable gain or loss on any sale or exchange of the New Prosus Ordinary Shares N in an amount equal to the difference between the amount realised for the New Prosus Ordinary Shares N and their tax basis in the New Prosus Ordinary Shares N. Such gain or loss will generally be capital gain or loss. Capital gains of certain non-corporate United States Holders (including individuals) derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognised by United States Holders will generally be treated as United States source gain or loss. Accordingly, United States Holders may not be able to use the foreign tax credit arising from any foreign tax imposed on the sale or exchange of the New Prosus Ordinary Shares N unless such credit can be applied (subject to applicable limitations) against tax due on other income treated as derived from foreign sources.

A United States Holder of New Prosus Ordinary Shares N that receives non-United States currency from a sale or disposition of New Prosus Ordinary Shares N generally will realise an amount equal to the U.S. Dollar value of the non-United States currency on the date of sale or disposition or, if such United States Holder is a cash basis taxpayer, or an electing accrual basis taxpayer and the New Prosus Ordinary Shares N are treated as being traded on an "*established securities market*" for this purpose, the settlement date. For a United States Holder that is an accrual basis taxpayer that does not so elect, such United States Holder generally will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. Dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date.

If the non-United States currency received is converted into U.S. Dollars on the settlement date, a cash basis or electing accrual basis United States Holder of New Prosus Ordinary Shares N will not recognise foreign currency gain or loss on the conversion. If the non-United States currency received is not converted into U.S. Dollars on the settlement date, the United States Holder will have a basis in the non-United States currency equal to the U.S. Dollar value on the settlement date. Any gain or loss on a subsequent conversion or other disposition of the non-United States currency generally will be treated as ordinary income or loss to such United States Holder and generally will be income or loss from sources within the United States for foreign tax credit limitation purposes. Investors should consult their own tax advisers concerning any potential foreign currency gain or loss in connection with the sale or exchange of the New Prosus Ordinary Shares N for a cash amount paid in Euro or other non-United States currency.

### ***Consequences to Non-United States Holders***

Subject to the backup withholding rules described below, a Non-United States Holder generally should not be subject to United States federal income or withholding tax on (i) the exchange of Naspers N Ordinary Shares for New Prosus Ordinary Shares N (and cash in lieu of any fractional shares) pursuant to the Exchange Offer, (ii) any payments on the New Prosus Ordinary Shares N or (iii) any gain from the sale, redemption or other disposition of the New Prosus Ordinary Shares N, in each case unless: (1) the applicable income is effectively connected with the conduct by that Non-United States Holder of a trade or business in the United States, and if required by an applicable income tax treaty, that income is attributable to a permanent establishment or fixed base that such Non-United States Holder maintains in the United States; or (2) in the case of any gain realised on any sale or exchange by an individual Non-United States Holder, that Non-United States Holder is present in the United States for 183 days or more in the taxable year of the sale or exchange and certain other conditions are met.

### ***Backup Withholding and Information Reporting***

In general, information reporting will apply to amounts received pursuant to the Exchange Offer and to dividends in respect of the New Prosus Ordinary Shares N and the proceeds from the sale, exchange or redemption of the New Prosus Ordinary Shares N that are paid to holders within the United States (and in certain cases, outside the United States), unless a holder is an exempt recipient. Backup withholding may apply to such payments if a holder fails to provide a taxpayer identification number or certification of other exempt status or fails to otherwise comply with the backup withholding requirements. Non-United States Holders may be required to comply with applicable certification procedures to establish that they are not United States Holders in order to avoid the application of such information reporting requirements and backup withholding.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a holder's United States federal income tax liability provided the required information is timely furnished to the United States Internal Revenue Service. Certain United States Holders that own "*specified foreign financial assets*" that meet certain U.S. Dollar value thresholds generally are required to file an information report with respect to such assets with their tax returns. The New Prosus Ordinary Shares N generally will constitute specified foreign financial assets subject to these reporting requirements unless the New Prosus Ordinary Shares N are held in an account at certain financial institutions. United States Holders are urged to consult their tax advisers regarding the application of these disclosure requirements to their ownership of the New Prosus Ordinary Shares N.

## GENERAL INFORMATION

### Domicile, Legal Form and Incorporation

The Company's legal and commercial name is Prosus N.V.

On 3 April 1997, the Company was incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands. On 16 May 2019, the Company was converted to a public limited liability company (*naamloze vennootschap*) under the laws of the Netherlands. The Company operates under the laws of the Netherlands.

The Company is domiciled in the Netherlands. The Company's statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its registered office is at Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands. The Company is registered with the Netherlands Chamber of Commerce (*Kamer van Koophandel*) under number 34099856. The Company's telephone number is +31 (0)20 299 9777. The Company's Legal Entity Identifier (LEI) is 635400Z5LQ5F9OLVT688. The Company's website address is [www.prosus.com](http://www.prosus.com).

### Company Secretary

The Company's Company Secretary is Gillian Kisbey-Green, whose business address is Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands.

### Independent Auditors

The Annual Financial Statements have been audited by PwC, an independent registered public audit firm located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, the Netherlands. PwC has not resigned, been removed or not been reappointed as the Group's auditors during the year ended 31 March 2021. The auditor signing the auditor's report on behalf of PwC is a member of the Royal Netherlands Institute of Chartered Accountants (*Koninklijke Nederlandse Beroepsorganisatie van Accountants*).

PwC has issued an unqualified report on the Annual Financial Statements.

PwC has consented to the inclusion of its report in this Prospectus in the form and context in which they appear and has at the date of this Prospectus not withdrawn its consent.

### No Significant Change

As at the date of this Prospectus, other than as disclosed under "*Developments since 31 March 2021*", there has been no significant change in the financial performance, the financial position and the trading position of the Group since 31 March 2021, being the end of the period covered by the Annual Financial Statements.

### Expenses of the Transaction

The expenses related to the Transaction payable by the Company are estimated at €122.1 million and include, among other items, securities transfer taxes, the fees due to the AFM, Euronext Amsterdam N.V. and the JSE as well as legal and administrative expenses and publication costs (excluding applicable taxes and disbursements, if any):

	<u>€ million</u>
Legal Advisers.....	5.3
Euronext Amsterdam .....	1.3
Financial Advisers.....	20
Independent Auditors .....	0.2
Securities Transfer Taxes <sup>13</sup> .....	95
Other expenses and disbursements.....	<u>0.3</u>
<b>Total</b> .....	<u><u>122.1</u></u>

The Exchange Offer will be effected in accordance with the Exchange Ratio of 2.27443 New Prosus Ordinary Shares N for each Naspers N Ordinary Share. Therefore, no direct new proceeds will result from the Exchange Offer.

### Available Documents

Subject to any applicable securities laws, copies of the following documents will be available and can be obtained free of charge from the Company's website ([www.prosus.com](http://www.prosus.com)) and, during their normal business hours, at the registered office of the Company and the JSE Sponsor from the date of this Prospectus until at least the Settlement Date:

- this Prospectus;
- the annual report for FY 2021;
- the Annual Financial Statements, including the independent auditor's report on the Annual Financial Statements;
- the Articles of Association (in Dutch, and an unofficial English translation); and
- the Company's board charter (in English).

### Incorporation by Reference

The following information is incorporated by reference and, as such, forms part of this Prospectus:

- the Articles of Association (the official [Dutch](#) version and an [English](#) translation thereof); and
- the '*Financial Statements*' section in Prosus's [annual report 2021](#) (page 162 up to and including 259, specifically excluding the stand-alone financial statements and notes and other information related to the stand-alone financial statements), which includes (i) the audited and consolidated Annual Financial Statements of the Group as of, and for the year ended, 31 March 2021, (ii) the related notes thereto and (iii) the independent auditor's report on the Annual Financial Statements. The non-incorporated parts of Prosus's annual report 2021 are either not relevant for the investor in the context of this Transaction or covered elsewhere in the Prospectus.

The Articles of Association and the Annual Financial Statements can be obtained free of charge from the Company's website ([www.prosus.com](http://www.prosus.com)).

<sup>13</sup> Based on the Prosus Ordinary Share N market price as at 11 May 2021 (last date of trading before the transaction announcement) and EUR/US\$ FX rate of 1.2171 on that day.

**No Incorporation of Website**

All information with respect to Tencent, Mail.ru Group, Delivery Hero, MakeMyTrip and Trip.com in this Prospectus is derived from information available on their respective websites, which are not incorporated by reference in this Prospectus and has not been scrutinised or approved by the AFM.

## DEFINED TERMS

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 Prospectus.

<b>1P</b> .....	first-party sales
<b>2018 Placing Agents</b> .....	Citigroup Global Markets Limited, Merrill Lynch International and Morgan Stanley & Co. International plc
<b>2021 Placing Agents</b> .....	Citigroup Global Markets Limited, Goldman Sachs International and Morgan Stanley & Co. International plc
<b>2025 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2025 Notes were issued
<b>2025 Notes</b> .....	the 5.500% unsecured notes issued by the Company in an aggregate principal amount of US\$1.2 billion, due 21 July 2025
<b>2027 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2027 Notes were issued
<b>2027 Notes</b> .....	the 4.850% unsecured notes issued by the Company in an aggregate principal amount of US\$1.0 billion, due 6 July 2027
<b>2028 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2028 Notes were issued
<b>2028 Notes</b> .....	the 1.539% unsecured notes issued by the Company in an aggregate principal amount of €500 million, due 3 August 2028
<b>2029 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2029 Notes were issued
<b>2029 Notes</b> .....	the 1.288% unsecured notes issued by the Company in an aggregate principal amount of €1.0 billion, due 13 July 2029
<b>2030 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2030 Notes were issued
<b>2030 Notes</b> .....	the 3.680% unsecured notes issued by the Company in an aggregate principal amount of US\$1.25 billion for the redemption of the US\$1.0 billion 6.000% Notes due 2020, due 21 January 2030
<b>2031 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2031 Notes were issued
<b>2031 Notes</b> .....	the 3.061% unsecured notes issued by the Company in an aggregate principal amount of US\$1.85 billion, due 13 July 2031
<b>2032 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2032 Notes were issued
<b>2032 Notes</b> .....	the 2.031% unsecured notes issued by the Company in an aggregate principal amount of €500 million, due 3 August 2032

<b>2033 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2033 Notes were issued
<b>2033 Notes</b> .....	the 1.985% unsecured notes issued by the Company in an aggregate principal amount of €850 million, due 13 July 2033
<b>2050 Fiscal and Paying Agency Agreement</b> .....	the fiscal and paying agency agreement pursuant to which the 2050 Notes were issued
<b>2050 Notes</b> .....	the 4.027% unsecured notes issued by the Company in an aggregate principal amount of US\$1.0 billion, due 3 August 2050
<b>2051 Notes</b> .....	the 3.832% unsecured notes issued by the Company in an aggregate principal amount of US\$1.5 billion, due 8 February 2051
<b>3P</b> .....	third-party sales
<b>A2X</b> .....	A2X Markets, a licensed exchange operated by A2X Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2014/147138/07
<b>Admissions</b> .....	the admission of the New Prosus Ordinary Shares N to listing and trading on Euronext Amsterdam, and, as a secondary listing, on the Main Board of the JSE
<b>Advisers</b> .....	together the Financial Advisers, Cross-border Settlement Agent, Euronext Listing and Paying Agent and JSE Sponsor
<b>AFM</b> .....	the Netherlands Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> )
<b>Agent</b> .....	the Company and any director of, or any person authorised by, the Company, or any one of the Naspers JSE Transfer Secretary and each of its directors, as its attorney and/or agent
<b>AGM</b> .....	annual general meeting of the Company
<b>AI</b> .....	artificial intelligence
<b>AIA</b> .....	the draft proposal presented by the European Commission in April 2021 for a regulation laying down harmonised rules on AI
<b>ANS</b> .....	the A2X's News Service
<b>Annual Financial Statements</b> ....	the consolidated annual financial statements of the Group as of 31 March 2021, including the related notes thereto and the independent auditor's report on the Annual Financial Statements
<b>APMs</b> .....	alternative performance measures
<b>Applicable Foreign Law Requirements</b> .....	any governmental or other consent or requirements or formalities in relation to receiving access to this Prospectus
<b>Articles of Association</b> .....	the articles of association of the Company, including any further amendments from time to time



<b>Authorised Dealer Manual</b> .....	currencies and exchanges manual for Authorised Dealers
<b>Authorised Dealers</b> .....	South African banks that have been appointed to act as authorised dealers (as defined by the ExCon Rules)
<b>Avito</b> .....	Avito AB, a company incorporated under the laws of the Kingdom of Sweden with registration number: 556930-0485
<b>Bank of New York Mellon</b> .....	the Bank of New York Mellon Corporation, a company incorporated under the laws of the State of Delaware, United States with registration number: 4299124
<b>Board</b> .....	the board of directors of the Company
<b>Brainly</b> .....	Brainly, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5611196
<b>Broker</b> .....	any person registered as a "broking member (equities)" in terms of the rules of the JSE made in accordance with the provisions of the South African Financial Markets Act
<b>Buscapé</b> .....	Buscapé Company Informação e Tecnologia LTDA., a company incorporated under the laws of Brazil with registration number: 09.419.682/0001-46
<b>Call Centre</b> .....	a call centre operated by Singular Systems Proprietary Limited
<b>Capital Restructure</b> .....	collectively, the Exchange Offer, the Prosus A Share Capitalisation Issue, the Prosus Articles Amendment, and the Prosus B Share Transaction, including all steps, actions and transactions required to implement the Exchange Offer, the Prosus A Share Capitalisation Issue, the Prosus Articles Amendment and the Prosus B Share Transaction
<b>Capital Restructure Date</b> .....	the date on which the final step of the Capital Restructure is implemented, which is expected to be Monday, 16 August 2021, or such later date as may be determined by the Company pursuant to an extension of the Exchange Offer Period
<b>CCMCs</b> .....	Communist Chinese Military Companies
<b>Certificated Naspers N Ordinary Shares</b> .....	Naspers N Ordinary Shares which are represented by a Document of Title
<b>Certificated Naspers N Shareholders</b> .....	Naspers N Ordinary Shareholders that hold Certificated Naspers N Ordinary Shares
<b>CGT</b> .....	capital gains tax
<b>Churchill</b> .....	Churchill Capital Corp II, a special purpose acquisition company listed on the New York Stock Exchange
<b>CIPC</b> .....	the South African Companies and Intellectual Property Commission
<b>CMIC</b> .....	non-SDN Chinese Military-Industrial Complex Company

<b>Code</b> .....	Internal Revenue Code of 1986
<b>CODM</b> .....	the chief operating decision maker
<b>Company or Prosus</b> .....	Prosus N.V., a public company with limited liability ( <i>naamloze vennootschap</i> ) incorporated under the laws of the Netherlands with trade register number: 34099856
<b>Company Notes</b> .....	collectively, the 2025 Notes, the 2027 Notes, the 2028 Notes, the 2030 Notes, the 2032 Notes, the 2050 Notes and the 2051 Notes
<b>Conversion Event</b> .....	an event under the Articles of Association in which a Prosus Ordinary Share B automatically converts into a Prosus Ordinary Share N in accordance with the conversion ratio of 1 Prosus Ordinary Share N for every 1 million Prosus Ordinary Shares B (1:1,000,000)
<b>Cross-border Settlement Agent.</b>	Citibank, N.A. South Africa Branch, a national banking association incorporated under the laws of the United States with charter number: 1461 and registered in South Africa as an external company with registration number: 1995/007396/10
<b>Cross-Holding Agreement</b> .....	the written cross-holding agreement dated 27 May 2021 between Prosus and Naspers to regulate certain matters arising in relation to the cross-holding structure to give effect to the Cross-Holding Arrangement
<b>Cross-Holding Arrangement</b> .....	the dividend payment arrangement between the Company and Naspers entered into in connection with the Capital Restructure
<b>CSDP</b> .....	a central securities depository participant, being a "participant" as defined in section 1 of the South African Financial Markets Act, appointed by a shareholder to hold and administer securities or an interest in securities on behalf of a shareholder
<b>DAU</b> .....	daily active users
<b>Delivery Hero</b> .....	Delivery Hero SE, a company incorporated under the laws of the European Union and registered in the commercial register ( <i>Handelsregister</i> ) of the local court ( <i>Amstgericht</i> ) of Berlin (Charlottenburg), Germany under registration number: HRB 198015
<b>Dematerialise or Dematerialised Form</b> .....	the process by which documents of title evidencing such shares held are replaced by an electronic record of such shares either in the Strate System or Euroclear Nederland, as applicable
<b>Dematerialised Naspers N Ordinary Shares</b> .....	Naspers N Ordinary Shares that are held in Dematerialised Form
<b>Dematerialised Naspers N Shareholders</b> .....	Naspers N Shareholders that hold their Naspers N Ordinary Shares in Dematerialised Form
<b>Director</b> .....	a member of the Board
<b>DMA</b> .....	Digital Markets Act

<b>Dmarts</b> .....	small Delivery Hero-owned warehouses in strategically relevant locations for delivery
<b>Documents of Title</b> .....	a share certificate, certified transfer deed, balance receipt and/or any other form of document evidencing title to Naspers N Ordinary Shares acceptable to the Company
<b>DSA</b> .....	Digital Services Act
<b>Dutch FMSA</b> .....	the Dutch Financial Supervision Act ( <i>Wet op het financieel toezicht</i> )
<b>Dutch FRSA</b> .....	Dutch Financial Reporting Supervision Act ( <i>Wet toezicht financiële verslaggeving</i> )
<b>Eligible U.S. Shareholders</b> .....	persons who are both a “qualified institutional buyer” as defined in Rule 144A under the U.S. Securities Act and a “qualified purchaser” as defined in Section 2(a)(51)(A) of, and Rule 2a51-1(g) under, the U.S. Investment Company Act
<b>eMAG</b> .....	Dante International S.A., a company incorporated under the laws of Romania with registration number: J40/372/2002
<b>eMAG Hungary</b> .....	Dante International Korlátolt Felelősségű Társaság, a company incorporated under the laws of Hungary with registration number: 01-09-727285
<b>EMPG</b> .....	Emerging Markets Property Group
<b>Enterprise Chamber</b> .....	the enterprise chamber of the court of appeal in Amsterdam ( <i>Ondernemingskamer van het Gerechtshof te Amsterdam</i> )
<b>Eruditus</b> .....	Eruditus Learning Solutions Pte Ltd., a company incorporated under the laws of Singapore with registration number: 201230726W
<b>EU Platform-to-Business Relationships Regulation</b> .....	Regulation (EU) 2019/1150 of the European Parliament and of the Council of 20 June 2019 on promoting fairness and transparency for business users of online intermediation services
<b>Euroclear Nederland</b> .....	the Netherlands Central Institute for Giro Securities Transactions ( <i>Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.</i> ), a company incorporated under the laws of the Netherlands with trade register number: 33149445, trading as Euroclear Nederland
<b>Euronext Amsterdam</b> .....	Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V., a company incorporated under the laws of the Netherlands with trade register number: 34138585
<b>Euronext Amsterdam Brokerage Account</b> .....	a custodian or brokerage account capable of holding uncertificated securities listed and trading on Euronext Amsterdam
<b>Euronext Amsterdam Investors</b>	shareholders holding Prosus Ordinary Shares N trading on Euronext Amsterdam

<b>Euronext Dublin</b> .....	the Irish Stock Exchange Plc (trading as Euronext Dublin), a company incorporated under the laws of the Republic of Ireland with registration number: 96429
<b>Euronext Dublin Official List</b> ....	the official list of Euronext Dublin
<b>Euronext Listing and Paying Agent</b> .....	ING Bank N.V., a company incorporated under the laws of the Netherlands with trade register number: 33031431
<b>Excess Fractional Entitlements</b> .	any fractional entitlements to the Naspers N Ordinary Shares tendered over and above the Guaranteed Tender Portion
<b>Exchange Offer</b> .....	the voluntary exchange offer made by the Company to the existing Naspers N Shareholders on a <i>pro rata</i> basis in terms of which, among other things, the existing Naspers N Shareholders are entitled, subject to its certain terms and conditions, to exchange their Naspers N Ordinary Shares for New Prosus Ordinary Shares N in accordance with the Exchange Ratio
<b>Exchange Offer Closing Date</b> ....	the date the Exchange Offer closes, being Friday, 13 August 2021
<b>Exchange Offer Conditions</b> .....	the conditions to the Exchange Offer as set out in the " <i>Exchange Offer Memorandum</i> "
<b>Exchange Offer Memorandum</b> .	the " <i>Exchange Offer Memorandum</i> " chapter of this Prospectus
<b>Exchange Offer Period</b> .....	the period for the Exchange Offer commencing on the date of this Prospectus, 12 July 2021, and expected to end at 17:00 hours CEST on Friday, 13 August 2021, or such later date as extended by the Company
<b>Exchange Ratio</b> .....	the exchange ratio of 2.27443 New Prosus Ordinary Shares N for each Naspers N Ordinary Share tendered under the Exchange Offer, subject to the terms and conditions of the Exchange Offer
<b>Extreme Digital</b> .....	Ed Group Vagyonkezelő Korlátolt Felelősségű Társaság, a company incorporated under the laws of Hungary with registration number: CG.01-10-045869
<b>FCG</b> .....	the Frontier Car Group Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 0001693275
<b>FDI</b> .....	foreign direct investment
<b>Financial Adviser</b> .....	each of Goldman Sachs Bank Europe SE and Morgan Stanley & Co. International plc
<b>FinSA</b> .....	Swiss Financial Services Act
<b>FinSurv</b> .....	the Financial Surveillance Department of the SARB
<b>First Trading Date</b> .....	the date on which trading in the New Prosus Ordinary Shares N on Euronext Amsterdam and the JSE commences, which is expected to be Monday, 16 August 2021

<b>Fiscal Year or FY</b> .....	a fiscal year of the Company ended 31 March
<b>Foreign Investment Law</b> .....	the Foreign Investment Law of the PRC
<b>Fiscal and Paying Agency Agreement</b> .....	the written fiscal and paying agency agreement between the Company and Citibank, N.A., London Branch (as fiscal and paying agent), as amended and restated from time to time
<b>Foreign Naspers N Shareholder</b>	(i) a shareholder located in a certain jurisdiction to which restrictions apply or (ii) Naspers N Shareholders who have a registered address outside of South Africa
<b>Form of Acceptance and Transfer</b> .....	for purposes of accepting the Exchange Offer, the form of acceptance and transfer ( <i>blue</i> ) attached to and forming part of this Prospectus for use only by Certificated Naspers N Shareholder
<b>Free Float Percentage</b> .....	the percentage of Prosus Ordinary Shares N in the issued share capital of the Company not held by Naspers
<b>GDP</b> .....	gross domestic product
<b>GDPR</b> .....	Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data
<b>GMV</b> .....	Gross Merchandise Value
<b>General Meeting</b> .....	the general meeting ( <i>algemene vergadering</i> ) of the Company, being the corporate body, or, where the context so requires, the physical or virtual meeting of shareholders of the Company
<b>Global Knowledge Merger</b> .....	the acquisition of Global Knowledge Training LLC by Churchill
<b>GoodHabitz</b> .....	Good Investco B.V., a company incorporated under the laws of the Netherlands with registration number: 67332374
<b>GPO</b> .....	the Group's Global Payments Operations
<b>Group</b> .....	the Company and its consolidated subsidiaries
<b>Guaranteed Tender Portion</b>	the portion of Naspers N Ordinary Shares each Naspers N Shareholder is guaranteed to tender, representing a maximum of 47.59% of their Naspers N Ordinary Share holding
<b>Guidelines</b> .....	the Anti-Monopoly Guidelines for Internet Platforms, promulgated by the Anti-monopoly Commission of the State Council in the PRC on 7 February 2021
<b>Hong Kong Stock Exchange</b> .....	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

<b>iFood</b> .....	iFood.com Agência de Restaurantes Online S.A., a company incorporated under the laws of Brazil with registration number: 33.479.023/0001-80
<b>IFRS</b> .....	International Financial Reporting Standards
<b>IFRS-EU</b> .....	IFRS as adopted by the European Union
<b>Income Tax Act</b> .....	the Income Tax Act, 1962 under South African tax law
<b>IT</b> .....	information technology
<b>Iyzica</b> .....	iyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi, a company incorporated under the laws of Turkey with registration number: 867612
<b>JSE</b> .....	the Johannesburg Stock Exchange, a licensed exchange operated by JSE Limited
<b>JSE Brokerage Account</b> .....	custodian or brokerage account capable of holding uncertificated securities listed and trading on the JSE or the A2X, as applicable
<b>JSE Investors</b> .....	shareholders holding Prosus Ordinary Shares N trading on the JSE
<b>JSE Limited</b> .....	JSE Limited, a company incorporated under the laws of South Africa with registration number: 2005/022939/06
<b>JSE Listings Requirements</b> .....	the listings requirements of the JSE applicable to issuers with equity securities admitted to listing and trading on the Main Board of the JSE, as amended
<b>JSE Sponsor</b> .....	Investec Bank Limited, acting through its Corporate Finance Division, a company incorporated under the laws of South Africa with registration number: 1925/002833/06
<b>JSE Transfer Secretary</b> .....	Computershare Investor Services Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2004/003647/07
<b>Keerom</b> .....	Keeromstraat 30 Beleggings (RF) Limited, a company incorporated under the laws of South Africa with registration number: 1995/013914/06
<b>KIWI Finance</b> .....	KIWI Finance SRL, a company incorporated under the laws of Romania with registration number: J40/16860/2003
<b>Legal Adviser</b> .....	each of Allen & Overy LLP, Cravath, Swaine & Moore LLP and Webber Wentzel
<b>LIBOR</b> .....	London Inter-bank Offered Rate
<b>Mail.ru Group</b> .....	Mail.ru Group Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 655058
<b>Main Board</b> .....	the Main Board of the JSE

<b>MakeMyTrip</b> .....	MakeMyTrip Limited, a company incorporated under the laws of Mauritius with registration number: 24478/5832
<b>Market Abuse Regulation</b> .....	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, which entered into force on 3 July 2016
<b>MAUs</b> .....	monthly active users
<b>Maximum Acceptance Threshold</b> .....	the Maximum Acceptance Condition as defined in the " <i>Exchange Offer Memorandum</i> "
<b>MiFID II Product Governance Requirements</b> .....	the product governance requirements contained within: (i) MiFID II, (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II, and (iii) local implementing measures
<b>MiFID II</b> .....	EU Directive 2014/65/EU on markets in financial instruments, as amended
<b>MIH Edtech Investments</b> .....	MIH Edtech Investments B.V., a company incorporated under the laws of the Netherlands with registration number: 75088630
<b>MIH option</b> .....	the 30-day option granted by Churchill to MIH Edtech Investments to subscribe for up to an additional US\$400 million of newly issued common shares
<b>MIH TC Holdings Limited</b> .....	MIH TC Holdings Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 1686618
<b>Minimum Acceptance Condition</b>	the Minimum Acceptance Condition as defined in the " <i>Exchange Offer Memorandum</i> "
<b>MNEs</b> .....	Multinational Enterprises
<b>Movile</b> .....	Movile Mobile Commerce Holdings S.L., a company incorporated under the laws of Spain with registration number: B65371288
<b>Nasbel</b> .....	Naspers Beleggings (RF) Limited, a company incorporated under the laws of South Africa with registration number: 1994/005106/06
<b>Naspers</b> .....	Naspers Limited, a company incorporated under the laws of South Africa with registration number: 1925/001431/06
<b>Naspers A Ordinary Shares</b> .....	the ordinary shares A in the capital of Naspers with a nominal value of ZAR0.02 each
<b>Naspers Free-Float's Effective Economic Interest</b> .....	the Naspers free-float shareholders' effective economic interest in the Company's underlying portfolio
<b>Naspers Group</b> .....	Naspers and its consolidated subsidiaries
<b>Naspers JSE Transfer Secretary</b> .....	JSE Investor Services Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2000/007239/07

<b>Naspers Memorandum of Incorporation</b> .....	the memorandum of incorporation of Naspers, as amended from time to time
<b>Naspers N Ordinary Shares</b> .....	the ordinary shares N in the capital of Naspers with a nominal value of ZAR0.02 each
<b>Naspers N Shareholders</b> .....	the holders of Naspers N Ordinary Shares from time to time
<b>Naspers Shareholders</b> .....	the holders of the Naspers N Ordinary Shares and Naspers A Ordinary Shares from time to time
<b>NAV</b> .....	net asset value
<b>New Prosus Ordinary Shares N</b>	the new Prosus Ordinary Shares N issued to Naspers N Shareholders in exchange for their Naspers N Ordinary Shares in the Exchange Offer
<b>Non-IFRS Measures</b> .....	non-IFRS financial measures
<b>Non-resident Naspers N Shareholders</b> .....	Naspers N Shareholders that are not South African residents or residents of the Common Monetary Area for South African exchange control purposes
<b>Obido</b> .....	a real-estate platform for the primary market in Poland
<b>OECD</b> .....	the Organisation for Economic Co-operation and Development
<b>OfferUp</b> .....	OfferUp Incorporated, a company incorporated under the laws of the State of Delaware, United States with registration number: FEIN: 80-0645073
<b>OLX</b> .....	OLX Global B.V., a company incorporated under the laws of the Netherlands with trade register number: 34301226
<b>OpCos</b> .....	domestic Chinese companies that are licensed to operate value-added telecommunications services and other related services
<b>PayU</b> .....	PayU Global B.V., a company incorporated under the laws of the Netherlands with trade register number: 60355883
<b>PFIC</b> .....	passive foreign investment company
<b>PharmEasy</b> .....	API Holdings Private Limited, a company incorporated under the laws of India with registration number: U60100MH2019PTC323444
<b>PLC Nominees</b> .....	PLC Nominees Proprietary Limited
<b>Prospectus</b> .....	this prospectus and, for JSE purposes, the pre-listing statement dated 12 July 2021
<b>Prospectus Regulation</b> .....	Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017



<b>Prosus A Share Capitalisation Issue .....</b>	the proposed <i>pro rata</i> capitalisation issuance, subject to Settlement of the Exchange Offer, of Prosus Ordinary Shares A to the Prosus A Shareholders required under the Articles of Association
<b>Prosus A Shareholders.....</b>	the holders of the Prosus Ordinary Shares A
<b>Prosus Articles Amendment .....</b>	the amendment of the Articles of Association approved by Shareholders at the Prosus EGM to give effect to certain aspects of the Transaction, including, among other things, certain aspects of the Cross-Holding Arrangement and the creation of the Prosus Ordinary Shares B
<b>Prosus B Share Transaction .....</b>	the issuance of a number of 1,128,507,756 Prosus Ordinary Shares B to Naspers against payment of a subscription price of €0.05 per Prosus Ordinary Share B, to ensure that Naspers continues to hold 72% of the aggregate issued equity shares in Prosus after the implementation of the Exchange Offer and taking into consideration any Prosus Ordinary Shares N held by Naspers after Settlement
<b>Prosus Circular.....</b>	the document dispatched by the Company to its shareholders in relation to the Prosus EGM, dated 27 May 2021
<b>Prosus EGM.....</b>	the extraordinary general meeting of the Company held on 9 July 2021
<b>Prosus Free-Float's Effective Economic Interest.....</b>	the Company's free-float shareholders' effective economic interest in the Company's underlying portfolio
<b>Prosus N Shareholders.....</b>	holders of the Prosus Ordinary Shares N in the capital of the Company
<b>Prosus Ordinary Shares A.....</b>	Prosus Ordinary Shares A1 and Prosus Ordinary Shares A2
<b>Prosus Ordinary Shares A1.....</b>	ordinary shares A1 in the authorised share capital of Prosus with a nominal value of €0.05 each, carrying one vote per share, convertible to Prosus Ordinary Shares A2 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
<b>Prosus Ordinary Shares A2.....</b>	ordinary shares A2 in the authorised share capital of Prosus with a nominal value of €50 each, carrying 1,000 votes per share, convertible to Prosus Ordinary Shares A1 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
<b>Prosus Ordinary Shares B.....</b>	the ordinary shares B proposed to be created in the share capital of Prosus with a nominal value of €0.05 each and issued to Naspers under the Prosus B Share Transaction
<b>Prosus Ordinary Shares N.....</b>	the ordinary shares N in the capital of Prosus with a nominal value of €0.05 each, including (for the avoidance of doubt, where the context requires) the New Prosus Ordinary Shares N

<b>Protection Structure</b> .....	the protection structure of the Company under its Articles of Association, whereby 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 the General Meeting, the Protection Structure will be activated and the Prosus Ordinary Shares A1, carrying one vote per share, will automatically convert to Prosus Ordinary Shares A2, carrying 1,000 votes per share
<b>PSD2</b> .....	Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market
<b>PSP</b> .....	payments service provider
<b>PSUs</b> .....	performance stock units
<b>PwC</b> .....	PricewaterhouseCoopers Accountants N.V., an independent registered public audit firm located at Thomas R. Malthusstraat 5, 1066 JR Amsterdam, the Netherlands
<b>QEF Information</b> .....	information that a United States Holder of Naspers N Ordinary Shares would need to make a QEF election
<b>QEF</b> .....	qualified electing fund
<b>QIB</b> .....	qualified institutional buyer
<b>QP</b> .....	qualified purchaser
<b>Record Date</b> .....	the record date for the Exchange Offer, which is expected to be on 13 August 2021
<b>Regulatory Approvals Condition</b> .....	the Company obtaining all regulatory approvals required to implement the Capital Restructure
<b>Relevant State</b> .....	a member state of the European Economic Area
<b>Remitly</b> .....	Remitly Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5051455
<b>Revolving Credit Facility</b> .....	the Group's US\$2.5 billion multi-currency revolving credit facility
<b>RSUs</b> .....	restricted stock units
<b>SARs</b> .....	share appreciation rights
<b>SAMR</b> .....	State Administration for Market Regulation
<b>SARB</b> .....	the South African Reserve Bank
<b>Scale Back</b> .....	all the Naspers N Shareholders who have elected to surrender more than their Guaranteed Tender Portion will have their desired number of Naspers N Ordinary Shares that were tendered over and above the Guaranteed Tender Portion reduced proportionately down to their

	Guaranteed Tender Portion such that the total aggregate number of Naspers N Ordinary Shares to be acquired by the Company equals, and does not exceed, the Maximum Acceptance Threshold
<b>Senior Management</b> .....	the executive Directors together with the persons listed in paragraph " <i>Senior Management</i> "
<b>SENS</b> .....	the JSE's Stock Exchange News Service
<b>Settlement</b> .....	the delivery of the New Prosus Ordinary Shares N under the Exchange Offer
<b>Settlement Date</b> .....	the date on which Settlement occurs, which is expected to be on 16 August 2021 or as soon as practicable thereafter
<b>Settlement Election</b> .....	valid elections to receive New Prosus Ordinary Shares N on Euronext Amsterdam in accordance with the terms and conditions of the Exchange Offer
<b>SFA</b> .....	Securities and Futures Act of Singapore
<b>SFO</b> .....	Securities and Futures Ordinance of Hong Kong
<b>Shareholders or Prosus Shareholders</b> .....	holders of Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N from time to time
<b>Sinch</b> .....	Sinch AB, a company incorporated under the laws of Sweden with registration number: 556882-8908
<b>SIR</b> .....	" <i>significant informational resources</i> " as contemplated in the SIR Bill
<b>Shares or Ordinary Shares</b> .....	collectively, Prosus Ordinary Shares A, Prosus Ordinary Shares B and Prosus Ordinary Shares N
<b>SIR Bill</b> .....	the draft Russian law on amendments to Russian Information Law and the Personal Data Law
<b>Skillsoft Merger</b> .....	the acquisition of Skillsoft by Churchill
<b>Skillsoft</b> .....	Software Luxembourg Holding S.A., a company incorporated under the laws of Luxembourg with registration number: B246188
<b>SOs</b> .....	share options
<b>South African Companies Act...</b>	the South African Companies Act, 71 of 2008, as amended, together with the regulations promulgated under it
<b>South African Dividends Tax</b> ....	the 20% withholding tax on foreign dividends imposed by South Africa
<b>South African Exchange Control Regulations</b> .....	the Exchange Control Regulations of South Africa issued under the South African Currency and Exchanges Act, 9 of 1933, as amended
<b>South African Financial Markets Act</b> .....	South African Financial Markets Act, 19 of 2012, as amended

<b>South African Prosus A Shareholders .....</b>	South African holders of Prosus Ordinary Shares A
<b>Stack Overflow .....</b>	Stack Exchange, Inc., a Delaware corporation under the laws of State of Delaware, United States with registration number: 4806993
<b>Strate .....</b>	Strate Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 1998/022242/07
<b>Strate System .....</b>	the system operated by Strate for dealings in uncertificated securities listed on the JSE that take place on the JSE and for dealings in certificated securities listed on the JSE that take place off-market
<b>Structure Contracts.....</b>	the contractual arrangements in terms of which Tencent exercises effective control over certain domestic Chinese companies that are licensed to operate value-added services to users in China
<b>STT .....</b>	securities transfer tax
<b>Swiggy.....</b>	Bundl Technologies Private Limited, a company incorporated under the laws of India with registration number: U72200KA2013PTC096530
<b>SWIX .....</b>	the JSE Shareholder Weighted Index
<b>Target Market Assessment.....</b>	a product approval process, which has determined that the Prosus Ordinary Shares N are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II
<b>Tencent.....</b>	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
<b>Transaction .....</b>	collectively, the Capital Restructure and the Admissions
<b>Trip.com.....</b>	Trip.com Group Limited, formerly Ctrip.com International Limited, an exempted company incorporated under the laws of the Cayman Islands with registration number: 976668
<b>U.S. Investment Company Act ..</b>	U.S. Investment Company Act of 1940, as amended
<b>U.S. Persons .....</b>	U.S. persons as defined in Regulation S under the U.S. Securities Act
<b>U.S. Private Placement.....</b>	a private placement to Eligible U.S. Shareholders being carried out concurrently with, and on the same terms and conditions as, the Exchange Offer
<b>U.S. Securities Act .....</b>	the U.S. Securities Act of 1933, as amended
<b>U.S. Securities Exchange Act.....</b>	U.S. Securities Exchange Act of 1934, as amended

<b>Udemy</b> .....	Udemy Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 4779344
<b>VIE structure</b> .....	Variable Interest Entity structure
<b>Woowa</b> .....	Woowa Brothers Corp., a company incorporated under the laws of South Korea

## GLOSSARY

### Technical Terms

<b>Adjusted EBITDA</b> .....	operating profit/loss, as adjusted to exclude: (i) depreciation; (ii) amortisation; (iii) retention option expenses linked to business combinations; (iv) other losses/gains—net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (v) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (vi) subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the Group has a cash cost on settlement with participants).
<b>app</b> .....	a software application designed to run on a mobile device
<b>Average monthly paying listers</b> .....	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
<b>CEST</b> .....	Central European Summer Time
<b>Common Monetary Area</b> .....	the common monetary area comprising the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini
<b>Core headline earnings</b> .....	has the meaning given thereto on page 55 of this Prospectus
<b>Covid-19</b> .....	the novel strain of the coronavirus identified in late 2019
<b>Dutch Civil Code</b> .....	the Dutch Civil Code ( <i>Burgerlijk Wetboek</i> )
<b>Dutch Corporate Governance Code</b> .....	the Dutch Corporate Governance Code 2016
<b>Dutch Income Tax Act</b> .....	the Dutch Income Tax Act 2001 ( <i>Wet inkomstenbelasting 2001</i> )
<b>Dutch Securities Transactions Act</b> .....	the Dutch Act on Securities Transactions by Giro ( <i>Wet giraal effectenverkeer</i> )
<b>Dutch SRD Act</b> .....	The Dutch Act to implement the Shareholders Rights Directive II ( <i>bevordering van de langetermijnbetrokkenheid van aandeelhouders</i> )
<b>Etail</b> .....	electronic retail
<b>EURIBOR</b> .....	Euro Interbank Offer Rate
<b>ExCon Rules</b> .....	the South African Exchange Control Regulations, Orders and Rules under the Exchange Control Regulations, Authorised Dealer Manuals and circulars

<b>Executive Order 13873</b> .....	the Executive Order entitled "Securing the Information and Communications Technology and Services Supply Chain"
<b>Executive Order 13959</b> .....	the Executive Order which had prohibited U.S. persons from transacting in publicly traded securities of designated CCMCs as well as securities derivative of, or designed to provide investment exposure to, such securities
<b>Executive Order 13984</b> .....	the Executive Order entitled "Taking Additional Steps To Address the National Emergency With Respect to Significant Malicious Cyber-Enabled Activities"
<b>Executive Order 14032</b> .....	the Executive Order that revised and superseded Executive Order 13959
<b>Executive Order 14034</b> .....	the Executive Order entitled "Protecting Americans' Sensitive Data from Foreign Adversaries"
<b>FIEA</b> .....	the Financial Instruments and Exchange Act of Japan
<b>fintech</b> .....	financial technology
<b>Free cash flow</b> .....	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 the Group's 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 the Group's strategic initiatives, including acquisitions, if any.
<b>Growth in local currency excluding acquisitions and disposals</b> .....	has the meaning given thereto on page 55 of this Prospectus
<b>Headline earnings</b> .....	net profit for the year attributable to the Group's equity holders, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2019, headline earnings, as issued by the South African Institute of Chartered Accountants, at the request of JSE Limited in relation to the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 – <i>Earnings per Share</i> , under the JSE Listings Requirements.
<b>IaaS</b> .....	infrastructure as a service

<b>IAS</b> .....	international accounting standards
<b>Internal rate of return</b> .....	internal rate of return is calculated based on the estimated valuations of the internet investments. The estimated valuations are calculated as of 31 March 2021 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, the Group does 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.
<b>Net debt</b> .....	the debt less cash and cash equivalents of Prosus and holding companies that hold listed investments; excluding any debt related to non-recourse equity-linked financing arrangements, i.e. debt which is ring-fenced in a separate legal entity which does not have any recourse beyond the listed equity instruments pledged in relation to the financing arrangement, or to the Company or any of the holding companies of its listed investments
<b>Non-United States Holder</b> .....	a beneficial owner of New Prosus Ordinary Shares N or Naspers N Ordinary Shares that is neither a partnership nor a United States Holder
<b>Polish Zloty</b> .....	the lawful currency of Poland
<b>terminal economic value</b> .....	refers to a terminal (i.e. effective) economic value distribution that requires that both Naspers and Prosus free-float shareholders receive distributions based on their ultimate underlying interests in the group as if distribution had been made continuously a number of times through the cross-holding
<b>TPV</b> .....	total payments in value
<b>Treaty</b> .....	convention between the United States of America and the Kingdom of the Netherlands for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (together with the protocol)
<b>United States Holder</b> .....	a beneficial owner of New Prosus Ordinary Shares N or Naspers N Ordinary Shares that is for United States federal income tax purposes: (i) an individual citizen or resident of the United States; (ii) a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to United States federal income taxation regardless of its source; or (iv) a trust if it: (A) is subject to the primary supervision of a court within the United States and one or more United



States persons have the authority to control all substantial decisions of the trust; or (B) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person

**Value** ..... the sum of the market value of listed investments and the net asset value (i.e. consolidated book value) of unlisted investments. The value of unlisted investments counted towards the Value calculation will be capped at 20% of the combined value of listed and unlisted investments

**verticals**..... marketplaces that cater to a specific category, automotive, real estate, jobs and services

**Countries and Jurisdictions**

**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

**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 25 March 1957), as amended by: the Treaty on the European Union (signed in Maastricht on 7 February 1992); the Treaty of Amsterdam (signed in Amsterdam on 2 November 1997); the Treaty of Nice (signed in Nice on 26 February 2001); and the Treaty of Lisbon (signed in Lisbon on 13 December 2007)

**Hong Kong** ..... the Hong Kong Special Administrative Region of China

**India** ..... the Republic of India

**Mauritius** ..... the Republic of Mauritius

**Netherlands** ..... the Netherlands

**Poland** ..... the Republic of Poland

**Russia**..... the Russian Federation

**South Africa** ..... the Republic of South Africa

**Turkey** ..... the Republic of Turkey

**United Kingdom** or UK ..... 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

**UAE**..... United Arab Emirates

**FORM OF ACCEPTANCE AND TRANSFER FOR THE EXCHANGE OFFER**



**Prosus N.V.**  
(Incorporated in the Netherlands)  
(Legal Entity Identifier:635400Z5LQ5F9OLVT688)  
ISIN: NL0013654783  
Euronext Amsterdam, JSE and A2X Share code: PRX  
("Prosus" or the "Company")

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**FORM OF ACCEPTANCE AND TRANSFER FOR THE EXCHANGE OFFER  
("FORM OF ACCEPTANCE AND TRANSFER")**

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*Where appropriate and applicable the terms defined in the prospectus issued by the Company dated 12 July 2021 (the "Prospectus") to which this Form of Acceptance and Transfer is incorporated, shall bear the same meaning in this Form of Acceptance and Transfer, unless a word or term is otherwise defined herein.*

**This Form of Acceptance and Transfer should be read in conjunction with the Prospectus.**

- This Form of Acceptance and Transfer is only for use in respect of the Exchange Offer proposed by Prosus.
- Full details of the Exchange Offer are contained in the Prospectus to which this Form of Acceptance and Transfer is attached and forms part.

**THIS FORM OF ACCEPTANCE AND TRANSFER IS FOR USE BY CERTIFICATED NASPERS N SHAREHOLDERS WISHING TO PARTICIPATE IN THE EXCHANGE OFFER BUT HAVE NOT DEMATERIALIZED THEIR CERTIFICATED NASPERS N ORDINARY SHARES FOR THESE PURPOSES BY 17:00 HOURS SAST ON TUESDAY, 10 AUGUST 2021. DEMATERIALIZED NASPERS N SHAREHOLDERS WISHING TO PARTICIPATE IN THE EXCHANGE OFFER MUST NOT COMPLETE AND RETURN THIS FORM OF ACCEPTANCE AND TRANSFER. THE JSE TRANSFER SECRETARY AND/OR THE COMPANY DO NOT ACCEPT RESPONSIBILITY, AND WILL NOT BE HELD LIABLE FOR ANY ACTION OF, OR OMISSION BY ANY NASPERS N SHAREHOLDER, OR CSDP, BROKER OR OTHER NOMINEE OF ANY BENEFICIAL OWNER OF NASPERS N ORDINARY SHARES. THE SURRENDER OF DOCUMENTS OF TITLE TO THE NASPERS N ORDINARY SHARES TENDERED UNDER THE EXCHANGE OFFER IS ONLY APPLICABLE TO THE CERTIFICATED NASPERS N SHAREHOLDERS.**

**INSTRUCTIONS:**

1. A separate Form of Acceptance and Transfer is required to be completed by each Certificated Naspers N Shareholders in respect of the tender all or some of their Certificated Naspers N Ordinary Shares in exchange for New Prosus Ordinary N Shares in accordance with the Exchange Ratio.
2. Certificated Eligible Shareholders must complete this form in **BLOCK CAPITALS**.
3. The completed and signed Form of Acceptance and Transfer in respect of the Certificated Naspers N Ordinary Shares tendered under the Exchange Offer must be returned to the JSE Transfer Secretary so as to be received by not later than 12:00 hours CET on Friday, 12 August 2021. Certificated Naspers N Shareholders should take note of postal delivery times to ensure that the Forms of Acceptance and Transfer are received by the JSE Transfer Secretary timeously.
4. If Documents of Title relating to any Certificated Naspers N Ordinary Shares tendered under the Exchange Offer are lost or destroyed, the Company may dispense with the surrender of such Documents of Title upon production of evidence satisfactory to the Company and/or the JSE Transfer Secretary that the Documents of Title in respect of any of the Certificated Naspers N Ordinary Shares in question have been lost or destroyed and upon provision of a suitable indemnity on terms satisfactory to the Company. Accordingly, if the Documents of Title in respect of any of Certificated Naspers N Ordinary Shares tendered by a

Certificated Naspers N Shareholder have been lost or destroyed, such Certificated Naspers N Shareholder should nevertheless return the Form of Acceptance and Transfer (blue), duly signed and completed, to the JSE Transfer Secretary, together with a duly signed and completed indemnity form which is obtainable from the JSE Transfer Secretary.

5. The Board may, in its discretion, treat as invalid or give effect to Forms of Acceptance and Transfer received after 12:00 on the Record Date (but prior to the implementation of the Exchange Offer) or Forms of Acceptance and Transfer that have not been completed in accordance with any instructions in this Prospectus and/or the Forms of Acceptance and Transfer (but received prior to the implementation of the Exchange Offer).
6. Persons who have acquired Certificated Naspers N Ordinary Shares after the date of the issue of the Prospectus to which this Form of Acceptance and Transfer is attached and wish to participate in the Exchange Offer, may obtain copies of the Form of Acceptance and Transfer and the Prospectus from the JSE Sponsor, Investec Bank Limited, at 100 Grayston Drive, Sandton, Johannesburg, 2196, South Africa.
7. This Form of Acceptance and Transfer is only for use by Certificated Naspers N Shareholders holding Naspers N Ordinary Shares in Certificated Form and that wish to tender such Certificated Naspers N Ordinary Shares under the Exchange Offer. Dematerialised Naspers N Shareholders must **NOT** complete this Form of Acceptance and Transfer and should provide the appropriate acceptance instructions to their CSDP or Broker in accordance with their custodial arrangements.
8. Certificated Naspers N Shareholders are reminded that no New Prosus Ordinary Shares N will be issued in Certificated Form. Naspers N Shareholders that wish to tender their Certificated Naspers N Ordinary must ensure that they open a JSE Brokerage Account or, if they wish to make a Settlement Election, a Euronext Amsterdam Brokerage Account.
9. In the event that, by 12:00 hours CEST on Friday, 13 August 2021, a Certificated Naspers N Shareholder: (i) does not appoint a Euronext Amsterdam Brokerage Account provider or JSE Brokerage Account provider for executing their instructions for participating in the Exchange Offer for their Euronext Amsterdam Brokerage Account or JSE Brokerage Account, as the case may be, to be credited with its their New Prosus Ordinary Shares N; and/or (ii) fails to submit a Form of Acceptance and Transfer completed in accordance with the instructions set out herein, where their tendered Certificated Naspers N Ordinary Shares have not been Dematerialised, but their acceptance of the Exchange Offer is treated valid in accordance with the Company's discretion, the New Prosus Ordinary Shares N to which the Certificated Naspers N Shareholder is entitled will be transferred to a nominee account and be held on behalf and for the benefit of such Naspers N Shareholder.
10. For assistance in opening an account with any JSE Brokerage Account to which your New Prosus Ordinary Shares N can be delivered and held on the JSE, Certificated Naspers N Shareholders should visit the website of JSE Limited ([www.jse.co.za](http://www.jse.co.za)) or Strate ([www.strate.co.za/aboutstrate/participants](http://www.strate.co.za/aboutstrate/participants)), which set out all the names and numbers of the CSDPs and members of the JSE who can assist with the opening of such accounts. You will need to complete a custody mandate and provide verification in terms of the Financial Intelligence Centre Act, No. 38 of 2001, to your chosen CSDP or Broker, a process similar to opening a bank account in South Africa.
11. For assistance in opening a Euronext Amsterdam Brokerage Account to which your New Prosus Ordinary Shares N can be delivered and held on Euronext Amsterdam if you intend to make a Settlement Election, Certificated Naspers Shareholders are advised to contact the Euronext Listing and Paying Agent, ING Bank N.V. via the following link <https://www.ing.com>.
12. No Dematerialisation or rematerialisation of Naspers N Ordinary Shares may take place from the date on which an acceptance has been validly made.
13. The Certificated Naspers N Shareholders that wish to Dematerialise their Certificated Naspers N Ordinary Shares and transfer them into a JSE Brokerage Account in anticipation of participating in the Exchange Offer must bear in mind the cut-off time of 12:00 on the Exchange Offer Closing Date in relation to the time it will take to do so.
14. Certificated Naspers N Shareholders who are Non-resident Naspers N Shareholders that wish to make a Settlement Election must complete both Part A and Part B of this Form of Acceptance and Transfer.
15. Only whole numbers of New Prosus Ordinary Shares N will be issued and where fractional entitlements to New Prosus Ordinary Shares N arise, such fractions will be rounded down to the nearest whole number with any remaining fractional entitlements to Naspers N Ordinary Shares being sold. The cash proceeds of such fractional entitlements sold on behalf and at the risk of such Naspers N Shareholders will be determined in accordance with the JSE Listings Requirements and paid to the relevant Naspers N Shareholder in its JSE Brokerage Account or to a nominee account to be held on behalf and for the benefit of the relevant Naspers N Shareholder in accordance with the JSE Listings Requirements. Please ensure that you provide your banking details in Part A of this Form of Acceptance and Transfer in respect of the payment of cash proceeds of any fractional entitlements.



To: The JSE Transfer Secretary,

**Hand deliveries to:**

Computershare Investor Services Proprietary Limited  
Rosebank Towers  
15 Biermann Avenue  
Rosebank  
2196

**Postal deliveries to:**

Computershare Investor Services Proprietary Limited  
Private Bag X9000  
Saxonwold  
2132

Dear Sirs

**PART A: TO BE COMPLETED IN FULL**

I/We, the undersigned Certificated Naspers N Shareholder, hereby surrender the Certificated Naspers N Ordinary Shares indicated below, registered in the name of the person mentioned below, in consideration for subscribing for the New Prosus Ordinary N Shares under the Exchange Offer in accordance with the terms and conditions thereunder and authorise the JSE Transfer Secretary, conditional upon the Exchange Offer becoming wholly unconditional, to register the transfer of these Certificated Naspers N Ordinary Shares into the name of Prosus or its nominee(s) as follows:

Name of Shareholder	Acceptance of the Exchange Offer	
	Full acceptance (please indicate number of tendered Certificated Naspers N Ordinary Shares in blocks below)	Partial (please indicated number tendered Certificated Naspers N Ordinary N Shares in the blocks below)

Certificated Naspers N Shareholders are reminded that no New Ordinary Shares N will be issued in Certificated Form. Naspers N Shareholders that wish to tender their Certificated Naspers N Ordinary must ensure that open a JSE Brokerage Account or, if they wish to make a Settlement Election, their Euronext Amsterdam Brokerage Account and provide the necessary instruction to the provider of their regarding their JSE Brokerage Account or Euronext Amsterdam Brokerage Account, as the case may be, of intention to participate in the Exchange Offer.

Certificated Naspers N Shareholder that fail to dos so and whose acceptance of the Exchange Offer is treated valid in accordance with the Company's discretion, will have the New Prosus Ordinary Shares N to which such Certificated Naspers N Shareholder are entitled transferred to a nominee and be held on behalf and for the benefit of such Naspers N Shareholder.

Please specify the details of your JSE Brokerage Account below:

South African settlement details	
Name of account holder:	
Name of Broker:	

Name of CSDP:	
Account number of Broker:	
Account number of CSDP:	
Telephone number of Broker/CSDP:	
SCA number of Broker/CSDP:	

If a valid Form of Acceptance and Transfer is received by the JSE Transfer Secretary, with the relevant documents of title to the Certificated Naspers N Ordinary Shares, prior to the Record Date of the Exchange Offer, currently expected to be on Friday, 13 August 2021, it will be treated as a conditional transfer.

Such surrendered documents of title to the Certificated Naspers N Ordinary Shares will be held in trust by the JSE Transfer Secretary until the Exchange Offer has become unconditional in accordance with its terms.

<b>Signature of Certificated Naspers N Shareholder</b>	<b>Stamp and address of agent lodging this Form of Acceptance and Transfer (if any)</b>
Assisted by (if applicable)	
(State full name and capacity)	
Date	
Telephone number (Home) ( )	
Telephone number (Work) ( )	
Cell phone number	

In order to comply with the South African Financial Intelligence Centre Act, 2001 (Act 38 of 2001) (“FICA”), the JSE Transfer Secretary will be unable to record any change of address unless the following documentation is received:

1. an original certified copy of your identity document (not older than three months);
2. an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths; and
3. an original or certified copy of a service bill to verify your residential address.

**Bank details for payment of any fractional entitlements:**

<b>Account holder</b>	
<b>Bank</b>	
<b>Branch code</b>	
<b>Account number</b>	

**PART B: TO BE COMPLETED BY CERTIFICATED NASPERS N SHAREHOLDERS WHO COMPLETED PART A AND WHO ARE NOT RESIDENTS OF SOUTH AFRICA OR ARE NON-RESIDENT OF THE COMMON MONETARY AREA OR WHOSE NEW PROSUS ORDINARY**

**SHARES N WILL NOT FORM PART OF THEIR REMAINING ASSETS IN THE COMMON MONETARY AREA.**

In the case of Non-resident Naspers N Shareholders: You may elect to receive your New Prosus Ordinary N Shares either on Euronext Amsterdam through Euroclear Nederland by making a mark in the relevant box below. **PART A must also be completed**

	<b>YES (mark with X)</b>	<b>NO (mark with X)</b>
<b>Would you like to make a Settlement Election?</b>		

If you have elected to make a Settlement Election, please provide the email address of the provider of your Euronext Amsterdam Brokerage Account to the JSE Transfer Secretary as soon as possible so that the Euronext Listing and Paying Agent can provide that provider with the necessary information for inputting receiving instructions in the Netherlands, and ensure that matching receiving instructions are inputted by the provider of the Euronext Amsterdam Brokerage Account, in order to receive your New Prosus Ordinary Shares N under the terms and conditions of the Exchange Offer.

The New Prosus Ordinary Shares N will be delivered through Euroclear Nederland using the following settlement details which should be referenced in the relevant instructions:

<b>Euronext Amsterdam settlement details:</b>
Name: ING Bank N.V. Euroclear Netherlands CSDP: INGBNL2SSMK Broker: ING Bank Client reference: 2024705007 PSET: NECINL2AXXX Trade Date: 16 August 2021 Settlement Date: 18 August 2021 ISIN: NL0013654783

If you have **NOT** elected to make a Settlement Election, please provide the email address of the provider of your JSE Brokerage Account to the JSE Transfer Secretary as soon as possible so that the JSE Transfer Secretary can provide that provider with the necessary information for inputting receiving instructions in South Africa, and ensure that matching receiving instructions are inputted by the provider of the JSE Brokerage Account, in order to receive your New Prosus Ordinary Shares N under the terms and conditions of the Exchange Offer.

**If the Non-resident Naspers N Shareholder makes no Settlement Election in relation to the above, or where a Settlement Election is treated invalid, the New Prosus Ordinary N Shares of the relevant Certificated Naspers N Shareholder will be delivered to their JSE Brokerage Account through the Strate System or to a nominee and be held on behalf and for the benefit of such Naspers N Shareholder.**



Substitute address	<b>Stamp and address of agent lodging this Form (if any)</b>
Signature of Shareholder	
Name of authorised dealer	
Signature of authorised dealer	

**Notes and instructions:**

1. Subject to note 5 below, applications under this Form of Acceptance and Transfer are irrevocable and may not be withdrawn once submitted.
2. Certificated Naspers N Shareholders should consult their professional advisors in case of doubt as to the correct completion of this Form of Acceptance and Transfer.
3. Forms of Acceptance and Transfer are sent by registered post are sent at the risk of the Certificated Naspers N Shareholders concerned. Accordingly, Certificated Naspers N Shareholders should take note of postal delivery times to ensure that the Forms of Acceptance and Transfer are received by the JSE Transfer Secretary timeously.
4. Non-resident Naspers N Shareholders who wish to make a Settlement Election must, in addition to Part A, also complete Part B.
5. Without prejudice to note 11 below, if this Form of Acceptance and Transfer is not signed by the Certificated Naspers N Shareholder, the Accepting Certificated Naspers N Shareholder will be deemed to have irrevocably appointed the JSE Transfer Secretary to implement that Accepting Certificated Naspers N Shareholder's obligations under the Exchange Offer, as the case may be, on his/her behalf.
6. Any alteration to this Form of Acceptance and Transfer must be signed in full and should not be merely initialled.
7. If this Form of Acceptance and Transfer is signed under a power of attorney, then such power of attorney, or a notarially certified copy hereof, must be sent with this Form for noting (unless it has already been noted by the JSE Transfer Secretary).
8. Where the Certificated Naspers N Shareholder is a company or a close corporation, unless it has already been registered with the JSE Transfer Secretary, a certified copy of the directors' or members' resolution authorising the signing of this Form of Acceptance and Transfer must be submitted.
9. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the JSE Transfer Secretary.
10. If you do not validly accept the Exchange Offer by 12:00 on the Exchange Offer Closing Date, you will be deemed to have declined the Exchange Offer and will continue to hold your Certificated Naspers N Ordinary Shares.
11. Where Certificated Naspers N Ordinary Shares are held jointly, only the holder whose name stands first in the Naspers Securities Register must sign this Form of Acceptance and Transfer.
12. Once this Form of Acceptance and Transfer is received by the JSE Transfer Secretary, each Certificated Naspers N Shareholder by whom, or on whose behalf, a Form of Acceptance and Transfer is executed and lodged with the JSE Transfer Secretary irrevocably undertakes, represents, warrants and agrees to and with the Company, the JSE Transfer Secretary and the Euronext Listing and Paying Agent (so as to bind them or their representatives or successors) that:
  - 12.1. they have good title to, and is irrevocably and unconditionally entitled to sell and transfer the beneficial ownership of the Certificated Naspers N Ordinary Shares comprised or deemed to be comprised in such Acceptance and that such Certificated Naspers N Ordinary Shares are sold fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching to them on or after the date of the Prospectus, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made, on or after that date;
  - 12.2. they have informed themselves as to whether they require any governmental or other consent or requirements or formalities (**Applicable Foreign Law Requirements**) to receive or access this Prospectus (including the Form of Acceptance and Transfer (blue) forming part of this Prospectus), complete, in the case of Certificated Naspers N Shareholders, the Form of Acceptance and Transfer (blue) and/or participate in the Exchange Offer including having the New Prosus Ordinary Shares N issued, transferred or delivered to them or for their benefit in terms of the Exchange Offer, and have complied with and observed any Applicable Foreign Law Requirements;
  - 12.3. in relation to Naspers N Shareholders within the "United States" or who are a "U.S> person", as each such term is defined in Regulation S under the U.S. Securities Act , as amended, (the **U.S. Securities Act**), they shall be deemed by their acceptance of delivery of the U.S. private placement memorandum (the **U.S. Private Placement Memorandum**) which incorporates this Prospectus and the execution and lodgement of their Acceptance of the Exchange Offer, to have represented and warranted to the Company that they are both a "qualified institutional buyer" (**QIB**) as defined in Rule 144A under the U.S. Securities Act and a "qualified purchaser" (**QP**) as defined in Section 2(a)(51)(A) of, and Rule 2a51-1(g) under, the U.S. Investment Company Act of 1940, as amended (the **U.S.**

**Investment Company Act** and such persons, **Eligible U.S. Shareholders**), and shall be deemed to have represented, warranted, agreed and acknowledged on their behalf and on behalf of any investor accounts for which they are tendering Naspers N Ordinary Shares and subscribing for the New Prosus Ordinary Shares N pursuant to the private placement to Eligible U.S. Shareholders being carried out concurrently with, and on the same terms and conditions as, the Exchange Offer (the **U.S. Private Placement**) as follows:

- 12.3.1. they (a) are an Eligible U.S. Shareholder; (b) are aware, and have been advised, that the New Prosus Ordinary Shares N have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and that the offer and sale of the New Prosus Ordinary Shares N to them pursuant to the U.S. Private Placement is being made in a transaction not involving any public offering in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act; (c) will be acquiring such New Prosus Ordinary Shares N for their own account and benefit or for the account and benefit of an Eligible U.S. Shareholder that is both a QIB and QP; and (d) are aware that the New Prosus Ordinary Shares N may not be deposited into any unrestricted depository facility;
- 12.3.2. they understand and agree that: (a) the New Prosus Ordinary Shares N may not be offered, sold, pledged, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States or to, or for the benefit or account of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act to, or for the benefit or account of, persons who are Eligible U.S. Shareholders ; and (b) resales of New Prosus Ordinary Shares N may only be made outside the United States in *bona fide* “offshore transactions”, as defined in, and in reliance on, Regulation S under the U.S. Securities Act, on Euronext Amsterdam, the JSE or the A2X, as applicable, to persons outside the United States not known by them to be, or to be acting for the benefit or account of, a U.S. person by pre-arrangement or otherwise;
- 12.3.3. any offer, sale, pledge, delivery, distribution or other transfer made other than in compliance with the above stated restrictions shall not be recognised by the Company in respect of the New Prosus Ordinary Shares; and
- 12.3.4. they acknowledge that the Company, the JSE Transfer Secretary, the Euronext Listing and Paying Agent, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements. If they are acquiring any New Prosus Ordinary Shares N for the account of one or more QIBs and QPs, they represent that they have sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations, warranties and agreements on behalf of each such account
- 12.4. they are not a Foreign Naspers N Shareholders who are located in a jurisdiction participation in the Exchange Offer including having the New Prosus Ordinary Shares N issued, transferred or delivered to them or for their benefit in terms of the Exchange Offer in their relevant jurisdiction, would be restricted, illegal or otherwise impermissible in terms of the relevant laws and regulations of that jurisdiction;
- 12.5. in relation to the tendered Certificated Naspers N Ordinary Shares, the execution of the Form of Acceptance and its delivery to the JSE Transfer Secretary constitutes, subject to the Exchange Offer becoming unconditional in all respects and to the Certificated Naspers N Shareholder, the irrevocable and separate appointment of each of the Company and any director of, or any person authorised by, the Company , or any one of the JSE Transfer Secretary and each of its directors, as his attorney and/or agent (the **Agent**), and an irrevocable instruction and authorisation to such Agent to:
  - 12.5.1. complete and execute all or any form(s) of transfer, renunciation and/or other documents at the discretion of such Agent in relation to the Certificated Naspers N Ordinary Shares comprised in the acceptance in favour of the Company or such other person(s) as the Company or its agents may direct;
  - 12.5.2. deliver any form(s) of transfer, renunciation and/or other document(s) at the discretion of such Agent together with any share certificate or other document(s) of title for registration relating to such Certificated Naspers N Ordinary Shares for registration; and
  - 12.5.3. execute all such other documents and take any other action as may in the opinion of such Agent be necessary or expedient for the purposes of, or in connection with, the acceptance of the Exchange Offer and to vest in the Company or such other person(s) as the Company or its agents may direct the full legal and beneficial ownership of Certificated Naspers N Ordinary Shares comprised in the Acceptance;
- 12.6. the terms of the Exchange Offer are deemed to be incorporated in, and form part of, the Form of Acceptance and Transfer, which shall be read and construed accordingly;
- 12.7. they shall do all such acts and things as shall, in the opinion of the Company, be necessary or expedient to vest in the Company or its nominee(s) (or such other person as the Company may decide) the Certificated Naspers N Ordinary Shares comprised in the Acceptance;
- 12.8. the Form of Acceptance and Transfer shall be deemed to be delivered on the date of its execution and shall take effect as a deed on such date; and
- 12.9. they shall be bound by the terms and conditions of the Exchange Offer, in all respect, as set out in the Exchange Offer Memorandum or any documentation published by the Company in connection with the Exchange Offer from time to time; and

- 12.10. the execution of the Form of Acceptance and Transfer will not create any client relationship between the Company, the JSE Transfer Secretary or the Euronext Listing and Paying Agent; and
- 12.11. the contents of this Exchange Offer Memorandum and Prospectus does not purport to constitute personal legal or tax advice or to comprehensively deal with the legal, regulatory or tax implications of the Exchange Offer or any other matter for each Naspers N Shareholder. Naspers N Shareholders are accordingly advised to consult their professional advisors about their personal legal, regulatory or tax positions regarding the Exchange Offer or any other matter and in particular the receipt of the New Prosus Ordinary Shares N in exchange for their Naspers N Ordinary Shares.
13. A Form of Acceptance and Transfer that is received in an envelope postmarked in a jurisdiction reasonably believed by the Company to be one in which participation in the Exchange Offer including having the New Prosus Ordinary Shares N issued, transferred or delivered in terms of the Exchange Offer would be restricted, illegal or otherwise impermissible in terms of the relevant laws and regulations of that jurisdiction, or which otherwise appears to the Company or its agents to have been sent from a Restricted Jurisdiction, may be treated as invalid.
14. If you deliver more than one valid Form of Acceptance and Transfer in respect of your Certificated Naspers N Ordinary Shares, in case of an inconsistency between such Forms of Acceptance and Transfer, the last valid Form of Acceptance and Transfer which is delivered to the JSE Transfer Secretary shall prevail over any earlier Form of Acceptance and Transfer received.

**The Company**

**Prosus N.V.**  
Symphony Offices  
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**Legal Advisers**

*in respect of Dutch law*

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1077 AB Amsterdam  
The Netherlands

*in respect of U.S. law*

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United States

*in respect of South African law (lead)*

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Sandton, Johannesburg 2196  
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**Financial Advisers**

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D-60329 Frankfurt am Main Germany

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Canary Wharf  
London E14 4QA  
United Kingdom

**Euronext Listing and Paying Agent**

**ING Bank N.V.**  
Bijlmerdreef 106  
1102 CT Amsterdam  
The Netherlands

**JSE Transfer Secretary**

**Computershare Investor Services  
Proprietary Limited**  
Rosebank Towers, 15 Biermann Avenue  
Rosebank, Johannesburg 2196  
South Africa

**Cross-border Settlement Agent**

**Citibank, N.A. South Africa Branch**  
145 West Street  
Sandown, Johannesburg 2196  
South Africa

**JSE Sponsor**

**Investec Bank Limited**  
100 Grayston Drive  
Sandton, Johannesburg 2196  
South Africa

**Independent Auditors**

**PricewaterhouseCoopers Accountants N.V.**  
Thomas R. Malthusstraat 5  
1066 JR Amsterdam  
The Netherlands