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The following disclaimer applies to the prospectus and, for purposes of the Johannesburg Stock Exchange, pre-listing statement dated 26 August 2019 (the **Prospectus**) issued by Myriad International Holdings N.V. (to be renamed Prosus N.V. with effect from the settlement date) (the **Company**). 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, download or publish this electronic transmission or the Prospectus (electronically or otherwise) to any other person.

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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, currently named Myriad International Holdings N.V.)

Admission to listing and trading of all N Ordinary Shares on Euronext Amsterdam and on the Main Board of the JSE

This prospectus and, for purposes of the JSE (as defined below), pre-listing statement (the **Prospectus**) has been prepared in connection with the Capital Restructure (as defined below) and the admission to listing and trading of all the N ordinary shares in the capital of Myriad International Holdings N.V. (to be renamed Prosus N.V. with effect from the Settlement Date (as defined below)) (the **Company**) with a nominal value of €0.05 each (the **N Ordinary Shares**) 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.

Prior to being admitted to trading on Euronext Amsterdam and the JSE, there has been no public trading market for the N Ordinary Shares. Application has been made to admit all of the N Ordinary Shares 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 N Ordinary Shares’ International Security Identification Number (ISIN) is NL0013654783. Trading on an “as-if-and-when-issued” basis in the N Ordinary Shares on Euronext Amsterdam and the JSE is expected to commence at 09:00 (Central European Summer Time/South African Standard Time) on Wednesday, 11 September 2019, (the **First Trading Date**). The Admission to each of Euronext Amsterdam and the JSE is conditional on the other Admission proceeding. Accordingly, if for any reason the Admission to Euronext Amsterdam does not proceed, the Admission to the JSE will not proceed (and vice versa). In addition, if the Capital Restructure does not proceed, the Admissions will not proceed.

This Prospectus does not constitute, or form part of, an offer by, or invitation 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.

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

Each of Goldman Sachs International, J.P. Morgan Securities plc and Morgan Stanley & Co. International plc is acting as a lead financial adviser to the Company and Naspers (together, the **Lead Financial Advisers**) and each of Banca IMI S.p.A., Bank of America Merrill Lynch International DAC, Amsterdam Branch, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, ICBC Standard Bank plc and ING Bank N.V. is acting as a financial adviser to the Company (together with the Lead Financial Advisers, the **Financial Advisers**).

This Prospectus is made available by the Company, and the Company and the Directors, whose names are set out in “*Management, Employees and Corporate Governance—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.

Delivery of N Ordinary Shares (**Settlement**) is expected to take place on Monday, 16 September 2019, (the **Settlement Date**) 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 (**Euroclear Nederland**), in the case of Euronext Amsterdam, and 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 (the **Strate System**), in the case of the JSE. N Ordinary Shares will be traded in dematerialised form only and, as such, no documents of title will be issued to investors. Trading in N Ordinary Shares before the Settlement Date will take place on an “as-if-and-when-issued” basis. The delivery of the N Ordinary Shares may not take place on the Settlement Date, or at all, if the Capital Restructure or one of the Admissions does not proceed. Trading in the N Ordinary Shares before Settlement will take place subject to the condition that, if Settlement does not take place, transactions in the N Ordinary Shares on Euronext Amsterdam and the JSE will be annulled. Any dealings in N Ordinary Shares on Euronext Amsterdam and the JSE prior to Settlement are at the sole risk of the parties concerned. None of the Company, Naspers, ING Bank N.V. in its capacity as the Company’s listing and paying agent for Euronext Amsterdam (the **Euronext Listing and Paying Agent**), the Financial Advisers, Investec Bank Limited, in its capacity as the Company’s JSE sponsor, (the **JSE Sponsor**), Computershare Investor Services Proprietary Limited, in its capacity as the Company’s JSE transfer secretary, (the **JSE Transfer Secretary**), Citibank, N.A. South Africa Branch, in its capacity as the cross-border settlement agent, (the **Cross-border Settlement Agent**), Euronext Amsterdam N.V. or JSE Limited accept any responsibility or liability towards any person as a result of the annulment of any transactions in N Ordinary Shares.

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. The N Ordinary Shares 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. Prospective investors in the N Ordinary Shares should carefully read the restrictions described under “*Important Information—Notice to Prospective Investors*”. Neither the Company nor Naspers is taking any action to permit a public offering of N Ordinary Shares in any jurisdiction.

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**) and a pre-listing statement for the purposes of 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 (the **JSE Listings Requirements**). 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 N Ordinary Shares.

This Prospectus has been approved as a pre-listing statement by, and filed with, the Financial Surveillance Department (**FinSurv**) of the South African Reserve Bank (the **SARB**) and JSE Limited. JSE Limited has consented to this Prospectus to be prepared in accordance with the Prospectus Regulation, including the relevant disclosure requirements, and the AFM’s related approval of this Prospectus, as the sole listing document for the purpose of the Admission to the JSE. Notwithstanding the above, as part of the JSE’s approval of this Prospectus for the purposes of the Admission to the JSE, JSE Limited has required the inclusion of specific disclosures envisaged in the JSE Listings Requirements in this Prospectus. This Prospectus has not otherwise been prepared in accordance with the JSE Listings Requirements. This Prospectus does not, nor does it intend to, constitute a “*registered prospectus*” or “*advertisement*”, as contemplated by 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 (**CIPC**). FinSurv has also approved the inward listing of the N Ordinary Shares on the Main Board of the JSE and classified the inward listed N Ordinary Shares as “*domestic*” for South African exchange control purposes. See “*Description of Share Capital and Corporate Structure—Exchange Controls—South Africa*”.

Lead Financial Advisers		
Goldman Sachs International	J.P. Morgan	Morgan Stanley
Other Financial Advisers		
Banca IMI	BofA Merrill Lynch	Barclays
Citigroup	Deutsche Bank	ICBC Standard Bank
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TABLE OF CONTENTS

Headings	Page
Summary.....	ii
Risk Factors.....	1
Important Information	27
Overview of the Transaction.....	41
Dividends and Dividend Policy	47
Business	49
Capitalisation and Indebtedness	96
Selected Financial and Other Information	98
Operating and Financial Review.....	111
Management, Employees and Corporate Governance.....	161
Shareholder Structure and Related Party Transactions.....	201
Description of Share Capital and Corporate Structure.....	208
Company ADS Facility	228
Taxation	237
General Information	251
Defined Terms	254
Glossary	264
Annual Combined Carve-out Financial Statements.....	F-1
Interim Combined Carve-out Financial Statements.....	F-130

SUMMARY

Introduction and Warnings

This summary should be read as an introduction to the prospectus and, for purposes of the JSE (as defined below), pre-listing statement (the **Prospectus**) prepared in connection with the admission to listing and trading of all the N ordinary shares in the capital of Myriad International Holdings N.V. (to be renamed Prosus N.V.) (the **Company**) with a nominal value of €0.05 each (the **N Ordinary Shares**) 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**). The Prospectus does not constitute, or form part of, an offer by, or invitation 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.

The Company's statutory seat (*statutaire zetel*) is in Amsterdam, the Netherlands and its registered office is at Taurusavenue 105, 2132 LS Hoofddorp, 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)23 569 2300. The Company's Legal Entity Identifier (LEI) is 635400Z5LQ5F9OLVT688. The N Ordinary Shares' 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 26 August 2019, and was approved as a pre-listing statement by, and filed with, JSE Limited on 23 August 2019. 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 N Ordinary Shares 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 N Ordinary Shares.

Key Information on the Company

Who is the issuer of the N Ordinary Shares?

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 1.5 billion people in 89 markets and are the market leaders in 77 of those markets. The Group's consumer internet services span the core focus segments of Classifieds, Payments and Fintech as well as Food Delivery, plus other online businesses including Etail and Travel. The Group's businesses and investments are organised around the following segments: Ecommerce (which comprises its interests in Classifieds, Payments and Fintech, Food Delivery, Etail, Travel and other Ecommerce (including Ventures)), Social and Internet Platforms (which comprises its interests in Tencent and 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 A Ordinary Shares (as defined below) and N Ordinary Shares. The N Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam and, as a secondary listing, on the Main Board of the JSE, and carry one vote per share.

Major Shareholders. It is expected that on the date on which the final step of the Capital Restructure (as defined below) is implemented (the **Capital Restructure Date**), the following persons will 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**).

N Ordinary Shares

<u>Shareholder</u>	Minimum ⁽ⁱ⁾			Maximum ⁽ⁱ⁾		
	N Ordinary Shares	Percentage of N Ordinary Shares	Total Voting Percentage	N Ordinary Shares	Percentage of N Ordinary Shares	Total Voting Percentage
Naspers ⁽ⁱⁱ⁾	1,185,996,011	73	72.84	1,351,851,867	83	83.03
Total	1,185,996,011	73	72.84	1,351,851,867	83	83.03

(i) The number of N Ordinary Shares that Naspers will hold on the Capital Restructure Date will depend on the elections (an **Election** or **Elect**) made by holders (**Naspers N Shareholders**) of N ordinary shares in the capital of Naspers with a par value of ZAR0.02 each (the **Naspers N Ordinary Shares**) to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue (as defined below). The results of these Elections 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 (**SENS**).

(ii) Naspers is, in turn, controlled by the Naspers voting control structure, comprising Naspers Beleggings (RF) Limited (**Nasbel**) and Keeromstraat 30 Beleggings (RF) Limited (**Keerom**) through their majority holding 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 33.13% and 20.76% 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 their (in)direct share capital interest in the Company, may make a filing with the AFM in accordance with the Dutch FMSA.

A Ordinary Shares (as defined below)

Shareholder	A Ordinary Shares ⁽ⁱ⁾	Percentage of A Ordinary Shares	Total Voting Percentage on the Capital Restructure Date ⁽ⁱⁱⁱ⁾	Total Voting Percentage of A Ordinary Shares if the Protection Structure is activated ^(iv)
Nasbel.....	1,726,016	49.15	0.11	33.60
Keerom.....	1,081,689	30.80	0.07	21.06
Wheatfields ⁽ⁱⁱ⁾	657,610	18.73	0.04	12.80
Total	3,465,315	98.68	0.22	67.46

(i) The A Ordinary Shares comprise: A1 ordinary shares in the capital of the Company with a nominal value of €0.05 each (the **A1 Ordinary Shares**) and A2 ordinary shares in the capital of the Company with a nominal value of €50 each (the **A2 Ordinary Shares**, and together with the A1 Ordinary Shares, the **A Ordinary Shares**, and the A Ordinary Shares together with the N Ordinary Shares, the **Shares**). The A Ordinary Shares: (i) are not, and will not as part of the Capital Restructure and the Admissions (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 A1 Ordinary Shares, carrying one vote per share, converting to A2 Ordinary Shares, carrying 1,000 votes per share (the **Protection Structure**).

(ii) Wheatfields 221 Proprietary Limited (**Wheatfields**).

(iii) It is expected that on the Capital Restructure Date, the A Ordinary Shares will be held by 50 shareholders (including Nasbel, Keerom and Wheatfields).

(iv) On the Capital Restructure Date, the Protection Structure will not be activated and only A1 Ordinary Shares will be outstanding.

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

Independent Auditor. PricewaterhouseCoopers Inc. is the independent auditor.

What is the key financial information regarding the Company?

Selected financial information. The following tables set out the Group's combined income statement, combined statement of financial position, combined statement of cash flows and certain other financial data as at the dates and for the periods indicated. The selected combined financial information set forth below has been derived from: (i) the unaudited but reviewed combined carve-out financial statements of the Group as of 30 June 2019 and for the three-month periods ended 30 June 2019 and 2018 and the related notes thereto (the **Interim Combined Carve-out Financial Statements**), and (ii) the audited combined carve-out financial statements of the Group as of and for each of the years ended 31 March 2019, 2018 and 2017 and the related notes thereto (the **Annual Combined Carve-out Financial Statements**, and together with the Interim Combined Carve-out Financial Statements, the **Combined Carve-out Financial Statements**).

Combined Income Statement

	Three months ended		Fiscal Year		
	2019	2018	2019	2018	2017
	<i>(US\$ in millions)</i>				
Revenue from contracts with customers.....	677	589	2,654	2,303	1,835
Cost of providing services and sale of goods.....	(407)	(324)	(1,596)	(1,384)	(1,136)
Selling, general and administration expenses.....	(389)	(322)	(1,436)	(1,507)	(1,492)
Other gains/(losses)—net.....	—	(17)	(40)	(27)	(25)
Operating loss	(119)	(74)	(418)	(615)	(818)
Interest income.....	62	58	265	34	17
Interest expense.....	(51)	(50)	(200)	(195)	(200)
Other finance income/(costs)—net.....	17	66	114	(330)	(638)
Share of equity-accounted results.....	1,486	1,091	3,409	3,292	1,857
(Impairment)/reversal of impairment of equity-accounted investments.....	—	—	(88)	(46)	1
Dilution (losses)/gains on equity-accounted investments.....	1	(18)	(182)	9,224	(119)
Net gains on acquisitions and disposals.....	20	—	1,610	30	249
Profit before taxation	1,416	1,073	4,510	11,394	349
Taxation.....	(21)	(5)	(258)	(39)	(11)
Profit from continuing operations	1,395	1,068	4,252	11,355	338
Profit from discontinued operations.....	—	—	—	—	2,062
Profit for the period	1,395	1,068	4,252	11,355	2,400
Attributable to:.....					
Equity holders of the group.....	1,432	1,082	4,307	11,485	2,606
Non-controlling interests.....	(37)	(14)	(55)	(130)	(206)

Summary of Combined Statement of Financial Position

	As at 30 June	As at 31 March		
	2019	2019	2018	2017
		<i>(US\$ in millions)</i>		
ASSETS				
Goodwill and other intangible assets	2,894	2,829	3,139	3,185
Investments in associates	20,360	19,746	16,669	10,691
Investments in joint ventures	86	95	74	66
Other non-current assets	424	211	205	160
Inventory	136	148	139	94
Trade receivables	153	135	169	138
Other current assets	999	531	376	339
Short-term investments	6,739	7,037	—	—
Cash and cash equivalents	2,422	2,131	10,809	3,209
TOTAL ASSETS	34,213	32,863	31,580	17,882
EQUITY AND LIABILITIES				
Total equity	28,448	27,249	24,356	11,573
Total debt ⁽¹⁾	3,455	3,274	3,285	2,921
Other non-current liabilities ⁽²⁾	803	790	1,244	1,978
Trade payables	208	244	290	254
Other current liabilities	1,299	1,306	2,405	1,156
TOTAL EQUITY AND LIABILITIES	34,213	32,863	31,580	17,882

(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 of Combined Statement of Cash Flows

	Three months ended 30 June		Fiscal Year		
	2019	2018	2019	2018	2017
			<i>(US\$ in millions)</i>		
Net cash generated from/(utilised in) operating activities	243	264	(24)	(279)	(406)
Net cash generated from/(utilised in) investing activities	212	(7,729)	(6,483)	7,846	2,905
Net cash utilised in financing activities	(155)	(376)	(2,121)	(31)	(242)
Net movement in cash and cash equivalents	300	(7,841)	(8,628)	7,536	2,257

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	
	Three months ended 30 June		Three months ended 30 June	
	2019	2018	2019	2018
			<i>(US\$ in millions)</i>	
Ecommerce comprising:				
—Classifieds	284	189	16	20
—Payments and Fintech	96	87	(19)	(13)
—Food Delivery	129	88	(131)	(16)
—Etail	249	371	(11)	(36)
—Travel	51	66	(7)	(7)
—Other	72	54	(41)	(34)
Total Ecommerce	881	855	(193)	(86)
Social and Internet Platforms comprising:				
—Tencent	3,890	3,548	1,196	1,143
—Mail.ru	76	69	—	7
Total Social and Internet Platforms	3,966	3,617	1,196	1,150
Corporate services	—	(1)	(3)	(5)
Total (economic interest⁽¹⁾)	4,847	4,471	1,000	1,059
Less:				
Equity-accounted investments	(4,170)	(3,882)	(1,086)	(1,086)
Total from combined group	677	589	(86)	(27)

	Revenue			Trading (loss)/profit		
	Fiscal Year			Fiscal Year		
	2019	2018	2017	2019	2018	2017
	(US\$ in millions)					
Ecommerce comprising:						
—Classifieds.....	857	614	419	(6)	(120)	(330)
—Payments and Fintech.....	360	294	186	(43)	(64)	(69)
—Food Delivery.....	377	166	54	(171)	(30)	5
—Email.....	1,529	1,838	1,594	(101)	(223)	(258)
—Travel.....	234	211	123	(37)	(61)	(88)
—Other.....	239	219	175	(194)	(154)	(126)
Total Ecommerce	3,596	3,342	2,551	(552)	(652)	(866)
Social and Internet Platforms comprising:.....						
—Tencent.....	14,457	12,024	7,506	3,929	3,675	2,701
—Mail.ru.....	287	257	186	23	51	60
Total Social and Internet Platforms	14,744	12,281	7,692	3,952	3,726	2,761
Corporate services.....	—	—	—	(17)	(14)	(14)
Total (economic interest⁽¹⁾)	18,340	15,623	10,243	3,383	3,060	1,881
Less:.....						
Equity-accounted investments.....	(15,686)	(13,320)	(8,375)	(3,683)	(3,446)	(2,560)
Eliminations ⁽²⁾	—	—	(33)	—	—	—
Total from continuing operations	2,654	2,303	1,835	(300)	(386)	(679)
Total from discontinued operations ⁽³⁾	—	—	327	—	—	137
Total from combined group	2,654	2,303	2,162	(300)	(386)	(542)

(1) Economic interest refers to the Group's share of revenue or trading profit from investments in associated companies and joint ventures which are presented on a proportionately consolidated basis for segmental reporting purposes in accordance with IFRS 8, Operating Segments. 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.

(2) Eliminations include inter-group transactions with the discontinued operations.

(3) The Group disposed of its marketplace business (Allegro and Ceneo) in January 2017.

Other Key Financial Information. No *pro forma* financial information or profit forecast has been included in the Prospectus. There are no qualifications in the reports provided by the independent auditor on the historical financial information for: (i) the three months ended 30 June 2019 and 2018; and (ii) the fiscal years of the Company ended 31 March 2019, 2018 and 2017. However, the unqualified opinion for the Annual Combined Carve-out Financial Statements includes an emphasis of matter paragraph, in which the Company's auditors noted that the Group did not operate as an entity separate from Naspers in the past and therefore the Annual Combined Carve-out Financial Statements may not be indicative of the Group's future performance and what its combined results of operations, financial position and cash flows would have been, had the Group operated as a separate entity from Naspers for the periods presented.

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. If competition increases or if the Group's consumer internet businesses are unable to compete successfully or to generate the level of user engagement or acceptance needed to achieve or maintain scale, the Group's business, financial condition, results of operations and prospects could be materially and adversely affected.
- The Group operates in a rapidly evolving environment, characterised by fast-paced technological evolution, changes in user requirements and preferences, and the frequent introduction of new or enhanced products, services and technologies. If the Group is unable to develop or adapt to technological change or if the technologies it develops or adapts are inferior, or if it is unable to identify investment opportunities or changes in consumer preferences, the Group's business may be materially adversely affected.
- The market price of Tencent Limited's (**Tencent**) shares will have a material impact on the market price of the N Ordinary Shares as a result of the relative size of the Group's investment in Tencent. 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 N Ordinary Shares.
- The Group has invested, and will continue to invest, substantial amounts to develop and promote its businesses and their platforms. A number of these businesses are loss-making, have negative operating cash flow 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 Company depends on access to cash flows from its subsidiaries, associated companies and joint ventures, and dividend flows from such entities could be volatile. 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 disruption or failure in these systems, including due to cyber-attacks or other security failures, could adversely affect the availability of such systems, could lead to increases in service response times or otherwise disrupt the functionality or operations of the relevant business. Any failure to maintain or improve, or any disruption to, this infrastructure could harm the Group’s business.
- The Group’s businesses process a large amount of personal and other confidential data. Any unauthorised access, loss, misappropriation or misuse of confidential information or personal data, whether through cybersecurity breaches or otherwise, may expose the Group to fines, liability, litigation and damage to its 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 financial, operational or reputational loss due to non-compliance.
- The Group is active in a large number of markets, including a number of 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, and regulations restricting or limiting foreign ownership. The materialisation of any of these risks could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects.
- Government regulation of the internet and ecommerce sectors is evolving and may change in a manner that is unfavourable to the Group’s business, and the Group may fail to comply with applicable regulations due to the complexity of the regulatory field.
- The Group’s future growth will depend on its 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 N Ordinary Shares

What are the main features of the N Ordinary Shares?

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

Rights attached to the N Ordinary Shares. The N Ordinary Shares will rank *pari passu* with each other and holders of N Ordinary Shares will be entitled to dividends and other distributions declared and paid on them. Each N Ordinary Share carries distribution rights and entitles its holder 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 N Ordinary Shares. Each holder of N Ordinary Shares shall, subject to exceptions, have a pre-emptive right in respect of the N Ordinary Shares to be issued in proportion to the number of N Ordinary Shares already held by it. Such a pre-emptive right may, however, be excluded or limited and the management board (*bestuur*) of the Company (the **Board**) has been granted the authority to do so for a period of 18 months following the Settlement Date.

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. The balance of the Company’s assets remaining after all liabilities have been paid, if any, shall be transferred to the holders of A Ordinary Shares in proportion to the nominal value of each shareholder’s holding in A Ordinary Shares, but only to the extent there is a special reserve for the conversion of A Ordinary Shares at that time. Any remaining balance shall be transferred to the holders of A Ordinary Shares and N Ordinary Shares in proportion to the nominal value of each shareholder’s holding in A Ordinary Shares and/or N Ordinary Shares, as the case may be, provided that each holder of an A Ordinary Share shall be entitled to one-fifth of the amount of the distribution to which a holder of an N Ordinary Share is entitled, multiplied by the percentage of N Ordinary Shares not held by Naspers.

Restrictions on Free Transferability of the N Ordinary Shares. There are no restrictions under the Articles of Association, Dutch law or South African law that limit the right of holders of N Ordinary Shares to hold N Ordinary Shares. The transfer of N Ordinary Shares 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 N Ordinary Shares from the JSE to Euronext Amsterdam are subject to South African exchange control.

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 does not intend to declare or pay dividends before the end of its current fiscal year, ending 31 March 2020. 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.

Where will the N Ordinary Shares be traded?

Application has been made to admit all of the N Ordinary Shares 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.

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

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

- Immediately after delivery of N Ordinary Shares (**Settlement**), Naspers will remain in a position to control the Company as holder of between 72.84% and 83.03% of the voting rights in respect of the Shares and, if activated, the Protection Structure will further limit shareholders' ability to influence corporate matters as that would result in Nasbel and Keerom collectively holding approximately 54.66% of the total voting rights of the Shares. Such concentration of control over the Company could adversely affect the trading volume and market price of the N Ordinary Shares.
- The Group cannot predict whether the Protection Structure will result in a lower or more volatile market price of the N Ordinary Shares or in adverse publicity or other adverse consequences, including the exclusion of the N Ordinary Shares from certain stock indices in the future, which could make the N Ordinary Shares less attractive to certain investors.
- Future offerings of debt or equity securities by the Company or offerings of N Ordinary Shares by Naspers, or the perception thereof, may adversely affect the market price of the N Ordinary Shares and any future issuances of Shares may dilute investors' shareholdings.
- The market price of the N Ordinary Shares may fluctuate substantially upon listing on Euronext Amsterdam and the JSE.

Key Information on the Admissions

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

Capital Restructure. On 19 July 2019, Naspers issued a circular to its shareholders in relation to the extraordinary general meeting of Naspers shareholders (the **Naspers Circular**), in which it announced its intention, subject to the terms and conditions set out in the Naspers Circular, for no consideration:

- to implement capitalisation issues, in terms of which Naspers N Shareholders will receive: (i) ultimately, N Ordinary Shares. In this regard, Naspers N Shareholders will receive M ordinary shares in the capital of Naspers (the **Naspers M Ordinary Shares**), which will be automatically contributed to the Company in return for the issue of N Ordinary Shares to Naspers N Shareholders; or (ii) at their Election, instead of receiving N Ordinary Shares, receive additional Naspers N Ordinary Shares, (together, the **Capitalisation Issue**). Naspers N Shareholders Electing, instead of receiving N Ordinary Shares, to receive additional Naspers N Ordinary Shares, shall be issued 0.36986 Naspers N Ordinary Shares for each Naspers M Ordinary Share that they would otherwise have been entitled to be issued;
- to implement a *pro rata* capitalisation issue of Naspers A Ordinary Shares to holders of Naspers A Ordinary Shares (**Naspers A Shareholders**); and
- to make a distribution in kind of A Ordinary Shares to Naspers A Shareholders through a *pro rata* distribution in kind following these capitalisation issues,

(together, the **Capital Restructure**).

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

Event ⁽ⁱ⁾	Date (2019)
Publication of the Prospectus.....	Monday, 26 August
Listing of the N Ordinary Shares on Euronext Amsterdam and the JSE at 09:00.....	Wednesday, 11 September
Implementation of the Capitalisation Issue (including the issue of the Naspers M Ordinary Shares and the automatic contribution for the issue of the N Ordinary Shares) and the Naspers A Share Capitalisation Issue.....	Monday, 16 September
Settlement of the Capitalisation Issue ⁽ⁱⁱ⁾	Monday, 16 September
A Share Distribution implemented and the Capital Restructure Date.....	Tuesday, 17 September

(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 SENS.

(ii) Trading of N Ordinary Shares 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**) and the system operated by Strate Proprietary Limited 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 (the **Strate System**), as the case may be. As such, settlement of the first trades will take place three trading days after the first trades are executed in order to accommodate settlement in the Strate System. N Ordinary Shares are expected to list and commence trading on Euronext Amsterdam and the JSE on an "as-if-and-when-issued" basis on Wednesday, 11 September 2019 (the **First Trading Date**) and the trades executed on the First Trading Date are expected to settle on Monday, 16 September 2019, on both Euronext Amsterdam and the JSE. Following the First Trading Date, settlement of trades in N Ordinary Shares 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.

Details of the Admissions. The Admission to each of Euronext Amsterdam and the JSE is conditional on the other Admission proceeding. Accordingly, if for any reason the Admission to Euronext Amsterdam does not proceed, the Admission to the JSE will not proceed (and vice versa). In addition, if the Capital Restructure does not proceed, the Admissions will not proceed.

Estimated Expenses. The expenses related to the Transaction payable by the Company are estimated at €43.3 million and include, among other items, the fees due to the AFM, Euronext Amsterdam N.V., and JSE Limited as well as legal and administrative expenses, financial adviser fees, publication costs and applicable taxes, if any. No expenses will be charged to investors by the Company or Naspers in respect of the Transaction.

Why is the Prospectus being Produced?

Reasons for the Transaction. Naspers believes that the Transaction is a significant step and presents a new opportunity for global internet investors to access Naspers's unique portfolio of international internet assets through the Company. Naspers intends for the Transaction to reduce its index weighting on the JSE and at the same time create a new platform to attract incremental demand from a broader range of global investors. Naspers believes that the Transaction is well aligned to its continued growth ambitions and will help to maximise shareholder value over time.

Net Proceeds. No securities are being offered or sold under the Prospectus. As the Company will not issue for consideration, and Naspers will not sell, any N Ordinary Shares in connection with the Transaction, neither Naspers nor the Company will receive any proceeds from the Transaction.

Material Conflicts of Interest Pertaining to the Admissions. Each of the financial advisers to the Company and/or Naspers, 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 US\$2.5 billion multi-currency revolving credit facility, under which the Company is the borrower and Naspers is the guarantor. On the First Trading Date, each director of the Company (a **Director**) will also be a director on the Naspers board of directors. On the Capital Restructure Date, it is expected that certain Directors will hold direct and indirect beneficial interests in A Ordinary Shares and N Ordinary Shares. Certain Directors will also have direct and indirect beneficial interests in Naspers A Ordinary Shares and Naspers N Ordinary Shares.

RISK FACTORS

Before investing in the N Ordinary Shares, prospective investors should consider carefully the risks and uncertainties described below, together with the other information contained in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, may have a significant negative impact on the Group's (as defined below) business, financial condition, results of operations and prospects. The price of the N Ordinary Shares could decline and an investor might lose part or all of its investment upon the occurrence of any such event.

All of these risk factors and events are contingencies which may or may not occur. The Group may face a number of these risks described below simultaneously and some risks described below may be interdependent. Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Group's business, financial condition, results of operations and prospects. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

*The risk factors are based on assumptions that could turn out to be incorrect. Furthermore, although the management board (bestuur) of the Company (the **Board**) and the Company believe that the risks and uncertainties described below are the material risks and uncertainties concerning the Group's business and industry, and the N Ordinary Shares, they are not the only risks and uncertainties relating to the Group and the N Ordinary Shares. Other risks, events, facts or circumstances not presently known to the Group, or that the Group currently deems to be immaterial could, individually or cumulatively, prove to be important and may have a significant negative impact on the Group's business, financial condition, results of operations and prospects.*

Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to any N Ordinary Shares. Furthermore, before making an investment decision with respect to any N Ordinary Shares, prospective investors should consult their own professional adviser and carefully review the risks associated with an investment in the N Ordinary Shares and consider such an investment decision in light of their personal circumstances.

*As used herein, references to the "**Group**" refer to the Company as well as to its businesses which are held as consolidated subsidiaries and equity-method non-consolidated subsidiaries, associated companies and joint ventures, as the context requires.*

RISKS RELATING TO THE GROUP'S BUSINESS

The Group operates in highly competitive and rapidly changing market sectors, and increased competition could have a negative impact on its business, financial condition, results of operations and prospects.

The consumer internet sector continues to evolve rapidly. Owing to increased internet penetration in growth markets and growing adoption of online retail among internet users in the markets where 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. 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 its platforms. Some of the Group's consumer internet businesses may not be able to compete successfully or to generate the level of user engagement or acceptance needed to achieve or maintain scale.

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 Travel segment competes with travel agencies as well as direct booking services provided by airlines and hotel operators, and the Group's Etail segment, which includes business-to-consumer (B2C) marketplaces, competes with traditional retailers as well as omni-channel retailers, which can drive traffic from online to physical stores (e.g., by offering "click-and-collect", "click-and-reserve" or other services). Competition with such businesses may increase in the future for a variety of reasons, including changes in consumer preferences or trends or changes to internet search functions which may prioritise physical locations over online platforms, which could negatively affect the Group's platforms.

If the Group or its businesses are unable to compete successfully, the Group's business, financial condition, results of operations and prospects could be adversely affected.

The Group operates in a rapidly evolving environment. Any failure to adapt to technological change or changes in consumer preferences could negatively impact the Group's businesses.

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. In order to succeed, the Group must continue to stay abreast of continually evolving sector trends and to improve its 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 its 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 it is unable to identify investment opportunities that focus on such future technologies, the Group's business may be materially adversely affected.

In addition, 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 its ability to predict accurately and to anticipate such changes in user behaviour and demand, which it may not be able to do successfully, or at all. The Group may be required to continue to invest significant resources and to increase its capital expenditures to further adapt to these changes.

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

The market price of Tencent's shares will have a material impact on the market price of the N Ordinary Shares.

As of 30 June 2019, the Group held a 31.1% effective interest in Tencent Holdings Limited (**Tencent**), representing 48% of the Group's total assets on a carrying value basis as at that date. The Group's share of Tencent's revenue, on an economic-interest basis, represented 80% and 79% of the Group's total revenue, on an economic-interest basis, during the three months ended 30 June 2019 and FY 2019, respectively. Tencent is a leading integrated internet services company in the People's Republic of China (**China** or the **PRC**), which operates a broad range of internet services, including communication and social network, online games, digital content, online advertising, payment and cloud services. 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 Hong Kong Stock Exchange, a market operated by the Stock Exchange of Hong Kong Limited (the **Hong Kong Stock Exchange**). Following the Group's sale of approximately 6% of its interest in Tencent (or approximately 2% of Tencent's issued share capital) in March 2018, the Group announced that it will not sell further Tencent shares for at least three years from such date. As a result of the relative size of the Group's investment in Tencent, the market value of Tencent shares will continue to have a material impact on the Group and will have a material impact on the market price of the N Ordinary Shares.

The trading price of Tencent's shares has been and may continue to be volatile and could fluctuate due to a range of factors. This could result in volatility in the trading price of the N Ordinary Shares. According to Bloomberg L.P., between FY 2017 and FY 2019, Tencent's share price has varied from a high of HK\$474.60 on 23 January 2018 and a low of HK\$153.20 on 5 May 2016. Tencent's shares are listed on the Hong Kong Stock Exchange, which means the investment performance of Tencent's shares is impacted by fluctuations on the Hong Kong and other Chinese equity markets, independent of the business performance and operating results of Tencent, as well as global and sector markets more generally.

In addition to the broader market and industry factors, the price and trading volume of Tencent's shares may be volatile for other reasons more specific to Tencent's business, including:

- variations in Tencent's results of operations or loss of market position in its key markets;
- announcements about Tencent's earnings that are not in line with market expectations;
- actual or perceived general political, economic and business conditions in China and globally;
- changes or developments in the Chinese regulatory environment (or any other markets in which Tencent operates), including any regulatory action or inaction limiting or prohibiting Tencent's ability to license, market or release new games or other products;
- publication of operating or industry metrics by third parties, including government statistical agencies, that differ from expectations of industry or financial analysts;
- changes in financial estimates in respect of Tencent's results by capital market analysts;
- announcements made by Tencent or its competitors of new products and service offerings, acquisitions, strategic relationships, joint ventures or capital commitments;
- press and other reports, whether or not true, about Tencent's business or any Tencent-related news that is price sensitive;
- negative reports published by short sellers, regardless of their veracity or materiality to Tencent's business;
- litigation and regulatory allegations or actions or negative reports or publicity against Tencent, regardless of their veracity or materiality to Tencent;
- delays or failures in Tencent obtaining applicable approvals, permits and licences for its products and businesses, including new games, from regulators in China and other jurisdictions in which Tencent operates;
- changes in product pricing made by Tencent or its competitors;
- conditions in the Chinese market (and any other markets in which Tencent operates); and
- changes to Tencent's management.

Any of the above factors may result in significant and unanticipated changes in the volume and trading price of Tencent shares.

In particular, because substantially all of Tencent's business and operations are in China, its business and the market price of Tencent's shares may be influenced to a significant degree by political, economic and social conditions in China generally, including continued economic growth in China. Any prolonged slowdown in the Chinese economy may reduce the demand for Tencent's services and materially and adversely affect the market price of Tencent's shares and, in turn, the market price of the N Ordinary Shares. 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 subject to a high degree of uncertainty. In early 2018, the Chinese government

suspended the approval for monetisation licences for online games. Although the Chinese government resumed the monetisation licence approval for games in December 2018, and Tencent has since obtained approval for the sale of a number of its new games in China, there can be no assurance that a similar interruption in approval of new games will not occur again or that Tencent will not face similar or other regulatory hurdles in obtaining licensing or other approvals for its games in the future. Any failure to obtain, or delay in receiving, regulatory approval for its new games could materially and adversely affect Tencent's business and the market price of Tencent's shares.

The Group's investment in Tencent is also subject to Chinese regulations which place limitations on foreign ownership in companies that provide value-added telecommunications services and other related services in China. To comply with Chinese laws and regulations, Tencent conducts its businesses in China by contracting with certain domestic Chinese companies that are licensed to operate these services (the **OpCos**). Although Tencent does not own any equity interest in these OpCos, through a series of contractual arrangements (together, the **Structure Contracts**), Tencent exercises effective control over these OpCos and obtains substantially all of their revenue in the form of consulting, licensing, revenue sharing, technical support and other fees. For additional information, see "*Business—Tencent Structure Contracts*". In Tencent's 2018 Annual Report, it is stated that Tencent's Chinese legal advisers are of the view that the Structure Contracts arrangement does not violate applicable existing Chinese laws and regulations, but its legal advisers also advise that there are substantial uncertainties regarding the interpretation and application of the currently applicable PRC laws, rules and regulations, and it is possible that the PRC regulatory authorities and PRC courts may in the future take a view that is different from Tencent's Chinese legal advisers.

In addition, the Structure Contracts may fail to prove as effective in providing operational control as direct ownership and may be difficult or costly to enforce under PRC law. For example, the Structure Contracts contain provisions which may not be enforceable under PRC law, including provisions enabling an arbitral body to award remedies over the shares and/or assets of the OpCos, injunctive relief and/or winding up of the OpCos. In the event of 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 interests between these individuals' roles as shareholders of the OpCos and their duties to Tencent may arise. There is currently no specific and clear guidance under PRC law that addresses the resolution of any conflict between PRC laws and the laws of the Cayman Islands (where Tencent is incorporated) in respect of any conflict relating to corporate governance regime. 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.

Moreover, since the enactment of the Foreign Investment Law of the PRC (the **Foreign Investment Law**) in March 2019, it remains unclear whether Tencent's contractual arrangements will cause its affiliated Chinese entities to be interpreted and deemed as foreign investment under the Foreign Investment Law. If either the Chinese regulatory authorities or the Chinese courts find that the Structure Contracts do not comply with Chinese laws and regulations, or if existing laws and regulations or the interpretation of these laws and regulations change in the future, Tencent could be subject to penalties and could be forced to relinquish its interest in its value-added telecommunications services business and related business in China, which would have a material adverse effect on Tencent's business and the market price of Tencent's shares. See "*—Risks relating to markets in which the Group operates—Uncertainties exist with respect to the newly enacted 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*" and "*Business—Regulation—Recent, Significant Regulatory Developments*".

The Group's investment in Tencent is also subject to other risks, including those related to the legal and regulatory climate in China as well as capital controls or other measures which may restrict the payment of dividends. 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 financial, operational or reputational loss due to non-compliance*", "*—Risks relating to the Group's financial situation—The Company depends on access to cash flows from its 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 "Important Information—Tencent Public Disclosures".

The Group has invested, and will continue to invest, substantial amounts to develop and promote its 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 its businesses. A number of these businesses are loss-making, have negative operating cash flow, require significant capital expenditure and/or may never be profitable or cash generating. The Group may experience difficulties developing its businesses into profitable or cash generative operations due to a variety of factors, many of which are beyond its control. These factors may include:

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

The business model of most of the Group's businesses, including those in its Classifieds, Payments and Fintech, Food Delivery and Etail segments, typically requires 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 resources and capital by the Group over a long period of time. There is no assurance 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 its businesses in the periods presented in this Prospectus. In FY 2017, impairment charges amounted to US\$27 million, primarily due to impairments related to the Group's Etail fashion business in Turkey (which was performing below management's expectations). In FY 2018, impairment charges amounted to US\$73 million, primarily due to impairments of investments in associated companies, in particular the Group's Classifieds joint venture in Bangladesh (which was wound-up), the Group's Classifieds brand in Thailand (which was disposed of) as well as a patent for the Russian Classifieds business (which was no longer used). In FY 2019, impairment charges amounted to US\$95 million, primarily due to impairments of investments in associated companies, in particular, the Group's investment focused on consumer lending and financial services in the Payments and Fintech segment, as well as other smaller venture investments, where performance of the investments fell behind management's expectations. Similar or higher levels of impairment may recur in future periods as well.

A number of the Group's businesses, such as those in its Classifieds, Payments and Fintech, Food Delivery and Etail segments, require significant investment to drive growth and have not reached sufficient scale to record trading profits. As a result, the Group's total trading losses from continuing operations amounted to US\$679 million, US\$386 million and US\$300 million in FY 2017, FY 2018 and FY 2019, respectively. 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 its investments. In addition, even when the Group's businesses achieve profitability, such as the Group's Classifieds businesses which became profitable in FY 2018 (excluding the investment to scale letgo (as defined below)), there can be no assurance 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 Combined Carve-out Financial Statements

include the performance of many of its less mature businesses and some of the Group's larger and more proven investments are not fully consolidated into its 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 Group companies which 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 its 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.

Each of the Group's businesses rely 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's 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 their 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 its reputation*".

Any failure to maintain or improve, or any disruption to, the Group's technology and internet infrastructure could harm the ability of the Group and its 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 its reputation.

The Group's businesses 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 Group artificial intelligence capabilities and diverse technologies. The Group and its businesses are responsible for safeguarding personal or other confidential data and must comply with strict data protection and privacy laws when dealing with personal data in the jurisdictions in which they operate. Complying with the numerous and complex regulations to which the Group is subject in the event of unauthorised access may be expensive and difficult, and failure to comply with these regulations 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 privacy laws within its 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, spurious spam attacks or malware), human error, intentional acts of vandalism and similar events. The Group has from time to time experienced disruptions in its systems due to such errors or cyber-attacks that target sensitive information, integrity and the continuity of its 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 its businesses by governmental authorities. The occurrence of any of the above could have a material adverse effect on the Group's or any of its 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 its stakes in such investments could decrease.

The Group holds minority investments in a number of companies, including a 30.99% effective interest in Tencent, a 28.0% effective interest in the Mail.ru Group Limited (the **Mail.ru Group**), a 42.6% effective interest in MakeMyTrip Limited¹ (**MakeMyTrip**), a 22.3% effective interest in Delivery Hero SE (**Delivery Hero**) and a 38.8% effective interest in Bundl Technologies Private Limited (**Swiggy**). The Group's minority voting position precludes it from controlling these businesses, limits its 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. 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 situation—The Company depends on access to cash flows from its 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 could have a negative impact on the Group's operations and the operation of its businesses*".

Moreover, the Company's share price will be significantly affected by the movement in the share price of certain of these companies, particularly Tencent. See "*—The market price of Tencent's shares will have a material impact on the market price of the N Ordinary Shares*". 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 lead to an impairment charge to its investments and have an adverse effect on its share price.

The Group's future growth will depend on its 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

¹ In April 2019, the Group announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will exchange its interest in MakeMyTrip for an interest in Ctrip.com International, Ltd. (**Ctrip**) (**Ctrip Transaction**). For further information, see "*Business—History—Selected Significant Corporate Events Relating to the Group—Ecommerce—Travel*".

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 which 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 environment for investment. Such trends in these markets may be less predictable than those which 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, Etail and Travel 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 its product footprint and expanding to verticals that complement its existing businesses, which may alter its 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. 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 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 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 of the Group to execute its 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 its platforms and to make its 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 its 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 its 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 its platforms. Any of the foregoing risks could adversely affect the Group's business, financial condition, results of operations and prospects.

The Group generates a portion of its revenue from advertising and the loss of marketers, or reduction in spending by marketers, could harm its business.

The Group currently generates a portion of its total revenue from third parties advertising on its platforms, particularly in its Classifieds and Food Delivery segments. The Group's combined advertising revenue comprised 3.4% of its revenue in the three months ended 30 June 2019 (4.1% in the three months ended 30 June 2018) and comprised 3.8% of its revenue in FY 2019 (4.3% in FY 2018 and 4.4% in FY 2017), excluding advertising revenue of the Group's associated companies and joint ventures. Many of the Group's marketers spend a relatively small portion of their overall advertising budget with the Group. Marketers will not continue to do business with the Group, or they will reduce the prices they are willing to pay to advertise with it, if it does not deliver advertisements in an effective manner, provide sufficient exposure for their products or services, or if they do not believe that their investment in advertising with it will generate a competitive return relative to other alternatives.

The Group's advertising revenue could be adversely affected by a number of factors, including:

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

Any loss of marketers, or reduction in spending by marketers, could have a material adverse effect on 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 its 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 its acquired businesses with its operations without encountering unanticipated problems and costs. For example, many of the Group's acquired companies are bolt-on acquisitions intended to interact with its 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 as well as strategic partners to operate their businesses and meet the expectations of customers and users.

The Group's Food Delivery and Etail segments rely on third parties, such as restaurants and various suppliers, to provide food products and merchandise. Within the Food Delivery segment, if restaurants experience difficulty servicing customer demands, producing quality food or meeting other requirements or standards, the reputation and brand of 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 of the Food Delivery and Etail segments operate.

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 its relationships with acquirers or, where it acts as an acquirer, its access to the international card networks, the Group would face significant difficulty in offering many of its payment services, which would result in a loss of certain customer relationships and negatively impact its revenue.

The Group's Travel segment depends on commercial and strategic partnerships with a number of third parties to provide services which customers can book through the Group's platforms and to generate a substantial portion of the segment's revenue, as partners pay the Group fees and commissions for these bookings. Such partners include airlines, hotels, destination management companies, bus and train operators, car hire companies and other travel suppliers. Any adverse changes in the Group's existing arrangements with these third parties, including an inability to fulfil their payment obligation to the Group in a timely manner or an inability to enter into or renew arrangements on favourable terms, if at all, could reduce the amount, quality, pricing and breadth of the travel services and products the Group is able to offer.

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

Loss of key personnel could have a negative impact on the Group's operations and the operation of its businesses.

The Group relies on a number of experienced employees with detailed knowledge of its business and the markets in which it 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 it utilises, particularly with respect to digital skills, including software developers, product designers, machine learning and artificial intelligence specialists, which could constrain its ability to develop its business or achieve the desired scale for its 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 founders were unable or unwilling to continue to remain in their positions, those businesses and operations could be disrupted and their growth potential could be impaired.

If the Group fails to maintain brand recognition and trust in its various company brands, it may face difficulty in attracting and retaining new users and business partners.

The Board believes that maintaining the recognition and trust in the brands of the Group and its businesses is a critical aspect of its efforts to grow its user base, obtain additional business partners and maintain competitiveness. The Group's main competitors also have established brands and are continuing to take steps to increase and strengthen their brand recognition. The Group may experience difficulties maintaining brand recognition and trust due to a variety of factors, many of which are beyond its 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 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 its brands, this could have a material adverse effect on its 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, particularly within the Etail segment, sell products directly to consumers. As a result, these businesses 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.

RISKS RELATING TO THE GROUP'S FINANCIAL SITUATION

The Company depends on access to cash flows from its 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 significant business operations and assets other than interests in its subsidiaries, associated companies and joint ventures. To meet its obligations and cash flow requirements and to pursue its strategy, the Company utilises funding through a combination of distributions from its 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, Delivery Hero and MakeMyTrip) and joint ventures are separate and distinct legal entities that have no obligation to make any funds available to the Company 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 received from the Group's associated companies, joint ventures and other investments increased by 14% between 30 June 2019 and 30 June 2018, increased by 38% between FY 2019 and FY 2018 and increased by 29% between FY 2018 and FY 2017.

The Company's ability to utilise the cash flows from its 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 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 its subsidiaries, associated companies and joint ventures at the times and in the amounts that the Company requires. Any failure by the Company to obtain distributions from its businesses could restrict the Group's funding and its ability to meet its obligations or pursue its strategy.

In addition, the Group's businesses may face funding and liquidity restrictions under the terms of the financing arrangements upon which they depend. Each of the Group's businesses with external funding relies on its own separate credit facility and financing, to the extent that the business's 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 Naspers and its consolidated subsidiaries (the **Naspers Group**) to maintain an Interest Coverage Ratio of not less than 4.5:1 and a Leverage Ratio of not greater than 2.75:1 (each as defined in "*Operating and Financial Review—Description of Indebtedness*"). As at the date of the Prospectus, the Naspers Group is in compliance with both covenants. If these covenants, undertakings or requirements are not complied with, the financing may not be available and the relevant business unit could face liquidity difficulties. In addition, many of the different Group credit facilities, excluding the Revolving Credit Facility, must be renewed annually by the relevant lenders, and such extensions may not be available on commercially reasonable terms, or at all. For further information, see "*Operating and Financial Review—Description of Indebtedness*". 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'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 restrictions on the use of capital.

A number of the Group's businesses require significant investment to drive growth and implement their respective strategies. To meet these requirements, the Group currently utilises funding through a combination of its operating cash flow from its 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 Group has a significant amount of debt, with its total debt amounting to US\$3.5 billion as of 30 June 2019. The Group's debt levels could increase its sensitivity to such market conditions and other factors.

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

- ***Foreign exchange:*** The Group's activities and businesses expose it to fluctuations in currency exchange rates, in particular the U.S. Dollar against the Chinese Yuan Renminbi, Euro, Russian Rouble, Indian Rupee, Brazilian Real, Turkish Lira and Polish Zloty. 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, 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 its substantial stake in Tencent, and its reliance on Tencent for 79% of its revenue on an economic-interest basis in FY 2019, the Group 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 its annual dividend from Tencent) against the U.S. Dollar. In addition, following the acquisition of its stake in Delivery Hero during FY 2018, the Group is exposed to significant foreign exchange translation risk as a result of this investment being denominated in Euro, which may result in losses when translated to U.S. Dollars on the Group's financial statements. Any such fluctuations in currency exchange rates could negatively affect the Group's profitability and impair its ability to invest in its businesses or execute its strategy.
- ***Liquidity:*** Although the Group seeks to maintain sufficient liquidity through a combination of its cash reserves, operating cash flow from its 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, could result in the Group not being able to obtain financing for expansions of its existing businesses, acquisitions or other elements of its strategy. If the Group is unable to obtain financing on acceptable terms, or the economic climate deteriorates, the Group's ability to invest in its businesses or execute its strategy could be impaired. See also "*—The Company depends on access to cash flows from its 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 exposes it to fluctuations in interest rates. As of 30 June 2019, almost all of the Group's gross outstanding financial debt accrued interest at a fixed rate, whilst the floating rate Revolving Credit Facility was undrawn. As of 30 June 2019, the Group had US\$8.011 million invested in term deposits for periods of up to 12 months to secure fixed interest rates on its surplus cash. The Group also uses cross-currency interest rate swaps from time to time to convert floating rates into fixed rates (as of 30 June 2019, such outstanding swaps amounted to US\$39 million). 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 its deposits. If such movements, or their impact on the Group's earnings and cash flows, were significant, the Group's ability to invest in its businesses and execute its strategy could be impaired.
- ***Credit risk:*** The Group 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 its businesses and execute its strategy. Whereas the Group has adopted policies to manage its

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 of 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 its ability to execute its strategy and pursue certain business activities that may be in its interest. For further information, see "*Operating and Financial Review—Description of Indebtedness*".

If, as a result of any combination of the above factors, the Group is unable to invest in its businesses and execute its strategy, the Group's 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 financial, operational or reputational loss 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 competition and antitrust, foreign investment, labour, data protection and privacy, telecommunications, online content, intellectual property, corporate, tax, financial services, money laundering, anti-bribery and anti-corruption and sanctions and export controls. These laws and regulations are often complex, constantly evolving and in some cases conflict with one another. Furthermore, operating in foreign jurisdictions entails an inherent risk of misinterpreting, or wrongly implementing, foreign laws and regulations. This risk is particularly acute for the Group's smaller or less mature businesses and recent acquisitions. There can be no assurance that the Group's business 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 negatively impact the Group's reputation.

There are several legislative and regulatory proposals and other initiatives underway in jurisdictions in which the Group operates that could materially impact how it conducts its business. Such developments include revisions to India's regulations on foreign direct investment in the ecommerce sector, new regulations in the United States expanding the jurisdiction and powers of the Committee on Foreign Investment in the United States (CFIUS), the recent enactment of the Foreign Investment Law in China and the proposed regulation of "significant informational resources" (SIRs) in Russia. See "*Risks relating to markets in which the Group operates—Limitations and restrictions on foreign investment and ownership could hinder and limit the Group's operations or cause financial loss*", "*Risks relating to markets in which the Group operates—Uncertainties exist with respect to the newly enacted 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*", "*Risks relating to markets in which the Group operates—Certain of the Group's business interests in Russia are subject to legal risk and uncertainty due to the introduction of the SIR Bill*" and "*Business—Regulation—Recent, Significant Regulatory Developments*". In addition, the competition regulatory frameworks of the jurisdictions in which the Group operates are subject to change, and regulatory authorities may increase their regulation of the Group's businesses in these jurisdictions. Because of its leading positions in many of the markets in which it operates, the Group may be subject to more stringent supervision by the relevant regulators or subject to

investigation for alleged abuse of its position in such markets, which could result in adverse regulatory action by the relevant authorities, including monetary fines and negative publicity, which may materially adversely affect its business.

In addition, the Group's Payments and Fintech segment, including PayU Global B.V. (**PayU**) and its 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 businesses operate in many jurisdictions that either currently, or will in the future, implement regulations for payment 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 businesses face 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 it operates, it is not always possible to determine whether the Group's Payments and Fintech businesses conduct activities that are, or are treated by regulators as amounting to, regulated activities. In jurisdictions where the Group's activities are currently unregulated, new regulations may be introduced in the future, which could result in increased costs or changes to the Group's business model. Any such regulatory change or any failure of the Group 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**), a payments-related legislation in Europe. PSD2 introduces new concepts such as strong customer authentication, which will be required for the processing of certain transactions, may be challenging and costly to implement and could make PayU less attractive as a service provider for some of its customers. As a result of the above regulations or other regulations which 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, it 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 interpretations of the Group, and are inconsistently enforced. Any inability of the Group or its businesses to comply with such regulations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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 complete certain formalities with, public officials. As a result, the Group is exposed to the risk that its employees, agents or authorised persons or its businesses 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 its 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 its businesses' reputation and repeated compliance failures could call into question the integrity of the Group's or one of its businesses' operations.

Any violation of or non-compliance with applicable anti-money laundering, anti-corruption or anti-bribery laws could expose the Group to investigations, criminal and/or civil liability and substantial fines in any of the jurisdictions in which it operates, 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 its business.

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

In addition, the content that the Group makes available to customers through its platforms could result in legal claims against it 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 its consumer internet platforms. Certain of the Group's platforms, such as those operated by Dante International S.A. (**eMAG**) and OLX B.V. (the **OLX Group**), 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 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 its reputation and negatively affect its business, financial condition, results of operations and prospects.

In addition, users of the Group's Classifieds platforms may list or sell unlawful, counterfeit or stolen goods or unlawful services, or sell goods or services in an unlawful manner. Such activities carried out by users through the Group's platforms have resulted in the Group 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 its 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, to take additional protective measures or discontinue certain service offerings in order to combat these practices.

In addition, the Group's Payments and Fintech platforms could be susceptible to potentially illegal or improper uses, including money laundering, circumvention of sanctions, illegal online gambling, fraudulent sales of goods or services, bank fraud, or the facilitation of other illegal activity. Changes in law have increased the penalties for intermediaries providing payment services for certain illegal activities and additional payments-related proposals are under active consideration by government authorities. In addition, 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.

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

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

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

The Group's businesses are already subject to a complex set of laws and regulations in multiple jurisdictions relating to ecommerce, data security and data protection and there can be no assurance that the Group has been in full compliance with these provisions in the past due to the complexity and pace of change of applicable regulations or for other reasons. In addition, because certain laws, regulations and legal requirements concerning the internet are relatively new and evolving, their interpretation and enforcement have yet to be determined and could materially impact how the Group conducts its business. Uncertainties relating to the regulation of internet businesses, such as evolving licensing practices, give rise to the risk that permits, licences or operations may be subject to challenge, which may be disruptive to the Group's business or subject it to sanctions, requirements or other conditions.

The continued growth and development of ecommerce may lead to more stringent consumer protection laws, which may impose additional cost or compliance burdens on 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 which 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 the Group) is unclear and unpredictable.

Any failure of the Group 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 employee and third-party non-disclosure agreements to establish and protect its proprietary rights in its 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 its intellectual property rights is not well established or is uncertain. Even where the legal protection for its 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 its 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 it 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 infringe on the intellectual property rights of third parties. As a result, the Group may have to pay substantial damages if it 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, 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 its business in all of the jurisdictions in which it seeks to conduct business. The Group may also be unable to prevent or take remedial action against third parties from acquiring internet domain names that are similar to, infringe upon or otherwise decrease the value of the Group's trademarks, domain names or other proprietary rights. If the Group is unable to protect its domain names and/or control the use of domain names incorporating its trademarks, its reputation and brand could be impaired and it could lose customers.

If the Group is unable to adequately protect its intellectual property rights, or is accused of infringing the intellectual property rights of third parties, this could have a material adverse effect on its 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, and regulations restricting or limiting foreign ownership, which could affect the Group's strategy and have a material adverse effect on its business, financial condition, results of operations and prospects.

The Group's operations are carried out in a large number of foreign currencies, which exposes it to risk in connection with fluctuations or devaluations of currencies which could affect its results. For more information, see "*—Risks relating to the Group's financial situation—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 restrictions on the use of capital*". The Group's businesses also have

to analyse and operate in opaque or unfamiliar legal systems which 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 financial, operational or reputational loss due to non-compliance*” and “—*Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on the Group’s business, financial condition, results of operations and prospects*”. 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 “—*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’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 which 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. 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 its 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 financial performance of the Group and its businesses could be adversely affected by a deterioration of global or regional economic and financial conditions. 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. 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 financial performance of the Group and its 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 its 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 the Group’s capital is invested in growth markets, particularly in China and India. The economies of countries which are experiencing high levels of growth are subject to rapid and significant change and are vulnerable to internal and external shocks, including potential domestic political uncertainty and changing investor sentiment due to monetary policy changes in developed countries and other factors. In addition, slowdowns or economic turmoil in global markets or in one growth market tends to affect the economies in other growth markets more acutely than countries which are perceived to have more developed or stable economies. The economies of many growth markets, including China and India, differ from the economies of most developed countries in many respects, including in relation to levels of government involvement, level of development, economic growth rate and control of foreign currency terms. In recent years, many of these economies, including China and India, have undergone significant economic transitions and their respective governments have pursued economic reforms. There can be no assurance that these governments will continue to pursue economic reforms or that any such reforms will not have an adverse effect on the Group’s businesses.

In particular, although the Chinese economy has experienced significant growth over recent decades, there have recently been signs that the rate of China’s economic growth may slow. There have also been concerns about the relationship between China and the United States, following rounds of tariffs imposed by these countries on one another’s goods. Controversies may arise in the future between these two countries and trade relationships between the two may change. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the economic conditions in China. Likewise,

although the Indian economy has experienced significant economic growth in recent years, it faces major challenges in sustaining its growth, including the need for substantial infrastructure development and improving access to healthcare and education. Any prolonged slowdown in the Chinese or Indian economies may lead to reduced Internet-related activities and consumer spending and could have an adverse impact on the Group's businesses in these countries as well as the value of its investment in Tencent.

Uncertainties exist with respect to the newly enacted 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 regarding new foreign ownership regulations in China, particularly due to the Structure Contracts arrangement which Tencent uses to operate its business.

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

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

Certain of the Group's business interests in Russia are subject to legal risk and uncertainty due to the introduction of the SIR Bill.

On 26 July 2019, the Russian State Duma introduced a draft law on amendments to the Information Law and the Personal Data Law (the **SIR Bill**), which, if enacted, would, among others, implement a new regulatory framework for the designation of certain websites, webpages, information systems and/or software as SIRs and also restrict the ability of foreign shareholders and their affiliates to, individually or collectively, own, manage or control, directly or indirectly, more than 20% of the shares in an entity that owns a SIR. Under this restriction, a foreign shareholder owning, managing or controlling more than 20% of an entity owning a SIR may only exercise its voting rights with respect to the shares not exceeding the 20% threshold. As presently 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, Avito AB (**Avito**) and PayU). If these businesses were recognised as SIRs, the Group's ability to exercise its voting rights in these businesses could be affected, the Group could be forced to dispose of a portion of its interests in these businesses and these businesses could be subject to certain advertising restrictions, the occurrence of any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects. Substantial uncertainties exist with respect to the SIR Bill and its interpretation, application and potential impact on the

Group. The SIR Bill remains in the early stages of the legislative process and it is unclear when, if ever, the SIR Bill would be passed, and whether the law that is ultimately passed would contain the same provisions as the SIR Bill. For additional information on the SIR Bill, see “*Business—Regulation—Recent, Significant Regulatory Developments*”.

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

The tax laws 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 and regulations are complex and subject to varying interpretations. There can be no assurance that the Group’s interpretations are accurate or that the responsible tax authority will agree with such views. In addition, certain jurisdictions in which the Group operates have relatively underdeveloped and opaque tax systems, which heighten these risks. Tax laws, regulations and court practice in such jurisdictions are subject to frequent change, varying interpretations and inconsistent and selective enforcement. For instance, tax authorities may interpret tax laws in ways that do not favour taxpayers or apply new interpretations of tax laws retroactively. In many of such jurisdictions, taxpayers have to resort to court proceedings to defend their position against the tax authorities.

If tax laws or regulations change or the Group’s tax positions are challenged, with or without merit, by the tax authorities, the Group could incur additional tax liabilities, substantial penalties and interest charges, which could increase its costs of operations and have a material adverse effect on its business, financial condition, results of operations and prospects.

Limitations and restrictions on foreign investment and ownership could hinder and limit the Group’s operations or cause financial loss.

Certain of the Group’s operations and investments are in countries which place restrictions on foreign ownership of corporate entities. Even if such restrictions do not adversely affect the Group currently, countries where the Group operates may decide to review their limitations on foreign ownership of businesses from time to time. Governments in these jurisdictions could, for example, impose more stringent limitations on foreign investment or more onerous requirements.

There are several recent legislative and regulatory developments which may restrict the Group’s ability to invest in or operate relevant businesses in certain jurisdictions. For example, certain of the Group’s platforms in India are subject to new regulations on foreign direct investment in the ecommerce sector, which imposes stricter conditions and limitations on activities of the Group’s platforms, on their commercial relationships with their subsidiaries and in their interaction with vendors. Such revisions may impact the Group’s business model in India and could reduce the size of its addressable market. In addition, through its Ventures business, the Group has made, and is likely to make in the future, investments in early-stage technology companies located in the United States. As a result, the Group could be subject to risks arising from the expansion of CFIUS’s jurisdiction under the recently enacted Foreign Investment Risk Review Modernization Act of 2018, as amended, (**FIRRMA**). Under FIRRMA, CFIUS is authorised to review non-controlling foreign investments in certain U.S. businesses that utilise “*critical technologies*” within or aimed at certain industry sectors. As a result, certain of the Group’s investments in the United States may be subject to mandatory declaration or review processes, which would increase the uncertainty and transaction costs of the Group’s future investments in the United States, inhibit the capacity of the Ventures business to make investments or its competitiveness *vis-à-vis* local investors, and adversely affect the Ventures business and the Group’s strategy.

The Group cannot predict to what extent any such limitations or requirements will be imposed, or the impact on its businesses, but any limitation or requirement could adversely impact its operations in these jurisdictions, or require it to divest from existing businesses at a suboptimal value resulting in a financial loss. See also “—*Uncertainties exist with respect to the newly enacted Foreign Investment Law and its potential impact on the Group’s investment in Tencent and the viability of Tencent’s current corporate structure, corporate governance and business operations*”.

In addition, 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 Group is able to give an assurance of its continuity of identity (i.e., that it 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 Group relies on its Protection Structure (as defined below) and Naspers relies on its voting control structure to give such assurances. See “—*Risks relating to the shareholder structure—Immediately after Settlement, Naspers will remain in a position to control the Company and, if activated, the Company’s Protection*”.

Structure will further limit shareholders' ability to influence corporate matters". Any challenge to these structures or other impairment in the functioning of such structures could negatively affect the Group's operations and investments and could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

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 it 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.

RISKS RELATING TO THE SHAREHOLDER STRUCTURE

Immediately after Settlement, Naspers will remain in a position to control the Company and, if activated, the Company's Protection Structure will further limit shareholders' ability to influence corporate matters.

The Company's share capital comprises A Ordinary Shares and N Ordinary Shares (together, the **Shares**), each carrying one vote per share, for so long as the Protection Structure has not been activated. Immediately after Settlement, Naspers will hold between 73.00% and 83.00% of the N Ordinary Shares, which will represent between 72.84% and 83.03% of the voting rights in respect of the Shares (depending on the Elections (as defined below) made by holders (**Naspers N Shareholders**) of N ordinary shares in the capital of Naspers with a par value of ZAR0.02 each (the **Naspers N Ordinary Shares**) in the Naspers N Share Capitalisation Issue (as defined below)). In addition, as a condition to FinSurv's approval of the Transaction, Naspers must retain control over the Company. As a result, Naspers will have significant control over the Company's management and affairs and will be able to control all matters requiring approval by the Company's shareholders, including the election or removal of directors and approval of any significant corporate transaction, such as a merger or other sale of the Company or its assets. In addition, Naspers itself is controlled through a voting control structure, see "*—Risks relating to markets in which the Group operates—Limitations and restrictions on foreign investment and ownership could hinder and limit the Group's operations or cause financial loss*" and "*Shareholder Structure and Related Party Transactions—Protection Structure*". This concentrated control means a third party cannot acquire, or attempt to acquire, control over the Company without Naspers's support and may also discourage shareholder initiatives at changing the Company's management or strategy.

On the Capital Restructure Date (as defined below), the Company will have a protection structure implemented under its articles of association as in force on the Settlement Date (the **Articles of Association**) (the **Protection Structure**), 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 a general meeting (*algemene vergadering*) of the Company (the **General Meeting**), the Protection Structure will be activated and the A1 Ordinary Shares (as defined below), carrying one vote per share, will automatically convert to A2 Ordinary Shares (as defined below), carrying 1,000 votes per share, see "*Management, Employees and Corporate Governance*". The majority of the A Ordinary Shares will be 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, see "*Shareholder Structure and Related Party Transactions—Protection Structure*". Nasbel and Keerom will collectively hold 79.95% of the A Ordinary Shares, which, if the Protection Structure is activated, will carry approximately 54.66% of the total voting rights of the Shares. 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 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 N Ordinary Shares.

Naspers's control over the Company could adversely affect the trading volume and market price of the N Ordinary Shares, as could the Protection Structure if it is activated. For further information on the Protection Structure and Naspers's voting control structure, see "*Shareholder Structure and Related Party Transactions—Protection Structure*".

The Group cannot predict the impact the Protection Structure may have on the market price of the N Ordinary Shares.

The Group cannot predict whether the Protection Structure will result in a lower or more volatile market price of the N Ordinary Shares or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple-class share structures in certain of their indices. In July 2017, FTSE Russell and S&P Dow Jones announced that they would cease to allow most newly public companies utilising dual or multi-class capital structures to be included in their indices. Affected indices include the Russell 2000 and the S&P 500, S&P MidCap 400 and S&P SmallCap 600, which together make up the S&P Composite 1500. Beginning in 2017, MSCI, a leading stock index provider, opened public consultations on their treatment of no-vote and multi-class structures and temporarily barred new multi-class listings from certain of its indices. However, in October 2018, MSCI announced its decision to include equity securities "*with unequal voting structures*" in its indices and to launch a new index that specifically includes voting rights in its eligibility criteria. These policies are still fairly new and it is as of yet unclear what effect, if any, they will have on the valuations of publicly traded companies excluded from the indices, although it is possible that they may depress these valuations compared to those of other similar companies that are included. Although the Group's Protection Structure will not be activated on Settlement, there can be no assurance that the N Ordinary Shares will not be excluded from certain stock indices in the future, which could make the N Ordinary Shares less attractive to certain investors. As a result, the market price of the N Ordinary Shares could be adversely affected.

RISKS RELATING TO THE N ORDINARY SHARES

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

Naspers may sell its N Ordinary Shares or the Company may issue additional Shares to investors at any time, resulting in potentially significant dilution to existing holders of N Ordinary Shares if additional Shares are issued, and the market price of the N Ordinary Shares could decline if a substantial number of N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares at a time and price that they deem appropriate.

The Group may in the future seek to raise capital through public or private debt or equity financings by issuing additional N Ordinary Shares, debt or equity securities convertible into N Ordinary Shares or rights to acquire these securities, and exclude the pre-emptive rights pertaining to the then outstanding N Ordinary Shares. Pursuant to a resolution of the General Meeting adopted prior to the date of this Prospectus, the Board has been granted the authority to issue Shares or grant rights to subscribe for Shares for a period of 18 months following the Settlement Date and to restrict or exclude the pre-emptive rights pertaining to such Shares. This authorisation of the Board is limited to 5% of the issued Shares on the Settlement Date (after delivery of the Shares under the Capital Restructure) in aggregate per annum for general purposes, plus 5% of the issued Shares in aggregate per annum if the issuance or granting of rights occurs within the context of a merger or acquisition, with the power to the Board to decide which class of Shares is issued, and may be renewed and increased from time to time.

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

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

Prior to being admitted to trading on Euronext Amsterdam and the JSE, there has been no public trading market for the N Ordinary Shares. There can be no assurance that an active trading market for the N Ordinary Shares will develop on Euronext Amsterdam or the JSE or, if it does develop, that it will be sustained on either such market, in particular given a limited free float of approximately 27% of the total share capital of the Company (assuming no Naspers N Shareholders Elect to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue). If an active trading market fails to develop or be sustained, investors may not be in a position to sell N Ordinary Shares quickly or at the market price. In addition, an illiquid market for the N Ordinary Shares may result in lower market prices and increased volatility. Furthermore, the liquidity of the N Ordinary Shares could be limited if investors were to favour trading in Naspers N Ordinary Shares over the N Ordinary Shares, whether due to the significant asset overlap between Naspers and the Company or otherwise.

The market price of the N Ordinary Shares could fluctuate substantially due to various factors, some of which could be specific to the Company, its operations or the Capital Restructure and some of which could be related to the sectors in which the Company operates or equity markets generally. In addition, there can be no assurance that the N Ordinary Shares 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 N Ordinary Shares will not decline regardless of the Company's actual performance.

The Company does not expect to be treated as a PFIC for United States federal income tax purposes 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. Moreover, if the Transaction is implemented, Naspers expects that Naspers will be a PFIC for the current year and may be a PFIC for future taxable years.

The analysis of whether the Company is considered a passive foreign investment company (PFIC) for U.S. tax purposes in any taxable year 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 subsidiaries and their 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 (as defined in "Taxation—Certain United States Federal Income Tax Consequences") owns N Ordinary Shares, the Company generally will continue to be treated as a PFIC for that United States Holder with respect to such N Ordinary Shares in all succeeding years, regardless of whether the Company continues to meet the income or asset test described in "Taxation—Certain United States Federal Income Tax Consequences—Ownership and Disposal of the N Ordinary Shares—PFIC Status of the Company". If the Company is a PFIC in any taxable year during which a United States Holder owns shares, such United States Holder may suffer adverse tax consequences. For more information, see "Taxation—Certain United States Federal Income Tax Consequences—Ownership and Disposal of the N Ordinary Shares—PFIC Status of the Company".

If the Transaction is implemented, Naspers expects that it will be a PFIC for the current year and may be a PFIC for future taxable years. If Naspers 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, regardless of whether Naspers continues to meet the income or asset test described in "Taxation—Certain United States Federal Income Tax Consequences—The Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue—PFIC Status of Naspers". Naspers therefore intends to provide, or cause its independent accountants 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 "qualified electing fund" election. For more information, see "Taxation—Certain United States Federal Income Tax Consequences—The Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue—PFIC Status of Naspers".

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 N Ordinary Shares, the market price and trading volume of the N Ordinary Shares could decline.

Whether there is an active trading market for the N Ordinary Shares and the market price of the N Ordinary Shares 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 Group could lose visibility in the financial markets, which

could cause the market price or trading volume of the N Ordinary Shares to decline. In addition, if research analysts do not make positive recommendations regarding the N Ordinary Shares, or if negative research is published on the industry or geographic markets the Group serves, the price and trading volume of the N Ordinary Shares could decline.

Certain holders of N Ordinary Shares 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 N Ordinary Shares 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). Pursuant to a resolution of the General Meeting adopted prior to the date of this Prospectus, the Board has been granted an authority by the General Meeting as the corporate body competent to restrict or exclude pre-emptive rights in respect of part of the Shares for a period of 18 months following the Settlement Date.

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

In particular, holders of N Ordinary Shares in the United States or in certain other jurisdictions may not be entitled to exercise these rights unless either the rights and the N Ordinary Shares are registered under the U.S. Securities Act, or the rights and the N Ordinary Shares 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 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.

If Settlement does not take place on the Settlement Date, or at all, Euronext Amsterdam and the JSE may annul transactions that have occurred.

Application has been made to list the N Ordinary Shares on Euronext Amsterdam, and, as a secondary listing, the JSE. The Group expects that its N Ordinary Shares will be admitted to listing and that trading in the N Ordinary Shares will commence on the First Trading Date on an "as-if-and-when-issued" basis. The delivery of the N Ordinary Shares may not take place on the Settlement Date, or at all, if the Capital Restructure or one of the Admissions does not proceed. Trading in the N Ordinary Shares before Settlement will take place subject to the condition that, if Settlement does not take place, transactions in the N Ordinary Shares on Euronext Amsterdam and the JSE will be annulled. Any dealings in the N Ordinary Shares prior to Settlement are at the sole risk of the parties concerned. None of the Company, Naspers, the Financial Advisers, the Euronext Listing and Paying Agent, the JSE Sponsor, the JSE Transfer Secretary, the Cross-border Settlement Agent, Euronext Amsterdam N.V. or the JSE accept any responsibility or liability for any loss incurred by any person as a result of the annulment of any transactions in N Ordinary Shares on Euronext Amsterdam and the JSE.

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 N Ordinary Shares 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 situation—The Company depends on access to cash flows from its 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 N Ordinary Shares 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 N Ordinary Shares listed and trading on the JSE (**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 (as defined below) and the laws and regulations governing public companies incorporated in the Netherlands with equity securities admitted to listing and trading on Euronext Amsterdam and on the Main Board of the JSE. 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 N Ordinary Shares 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 N Ordinary Shares 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. The balance of the Company's assets remaining after all liabilities have been paid, if any, shall be transferred to the holders of A Ordinary Shares in proportion to the nominal value of each shareholder's holding in A Ordinary Shares, but only to the extent there is a special reserve for the conversion of A Ordinary Shares at that time (see "*Description of Share Capital and Corporate Structure—Share Capital—Conversion of A Ordinary Shares*"). Any remaining balance shall be transferred to the holders of A Ordinary Shares and N Ordinary Shares in proportion to the nominal value of each shareholder's holding in A Ordinary Shares or N Ordinary Shares, as the case may be, provided that each holder of an A Ordinary Share shall be entitled to one-fifth of the amount of the distribution to which a holder of an N Ordinary Share is entitled, multiplied by the percentage of N Ordinary Shares not held by Naspers. Any transfer to a shareholder will be subject to the rights of any shareholders to whom A Ordinary Shares or N Ordinary 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. 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 N Ordinary Shares may not be able to reclaim all or part of their investment in the N Ordinary Shares 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 FinSurv in relation to the secondary listing of the N Ordinary Shares 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 (the **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.

Following the Capital Restructure, the Company is likely to have 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.

FinSurv has approved the Admission of the N Ordinary Shares on the Main Board of the JSE, and classified the N Ordinary Shares to be inward listed as “*domestic*” for exchange control purposes. Accordingly, South African resident investors may trade the N Ordinary Shares 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 N Ordinary Shares 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 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 26 August 2019. 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 26 August 2020, at the latest. The obligation to supplement this Prospectus, which only relates to 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 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 N Ordinary Shares.

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 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, Naspers or any of the Financial Advisers, the Euronext Listing and Paying Agent or 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 N Ordinary Shares 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 N Ordinary Shares. A prospective investor should not invest in N Ordinary Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the N Ordinary Shares will perform under changing conditions, the resulting effects on the value of the N Ordinary Shares 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 N Ordinary Shares.

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 N Ordinary Shares. 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 N Ordinary Shares by such prospective investor under the laws and regulations applicable to such prospective investor. Prospective investors should consult their own professional adviser before making any investment decision with regard to the N Ordinary Shares, among other things, to consider such investment decision in light of his or her personal circumstances and in order to determine whether or not such prospective investor is eligible to purchase N Ordinary Shares. In making an investment decision, prospective investors must rely on their own analysis, enquiry and examination of the Company and the N Ordinary Shares, 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 N Ordinary Shares. 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 disclaim, 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 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 N Ordinary Shares.

Each Financial Adviser, 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. 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 and/or Naspers 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, N Ordinary Shares may be restricted by law in certain jurisdictions other than the Netherlands and South Africa, including the United States.

This Prospectus may not be used for, or in connection with, and does not constitute, or form part, an offer by, or invitation by or on behalf of, the Company, 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. No action has been or will be taken in any jurisdiction by the Company or the Financial Advisers that would permit an offering of the N Ordinary Shares or possession or distribution of a prospectus in any jurisdiction.

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 N Ordinary Shares (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 N Ordinary Shares. 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 "*Management, Employees and Corporate Governance—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

Historical Financial Data

Unless otherwise indicated, the financial information contained in this Prospectus has been prepared in accordance with IFRS-EU. This Prospectus contains the unaudited but reviewed combined carve-out financial statements of the Group as of 30 June 2019 and for the three-month periods ended 30 June 2019 and 2018 and the related notes thereto (the **Interim Combined Carve-out Financial Statements**) and the audited combined carve-out financial statements of the Group as of, and for, each of the years ended 31 March 2019, 2018 and 2017 and the related notes thereto (the **Annual Combined Carve-out Financial Statements**, and together with the Interim Combined Carve-out Financial Statements, the **Combined Carve-out Financial Statements**) beginning on page F-1 of 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 Combined Carve-out Financial Statements have been audited, and the Interim Combined Carve-out Financial Statements have been reviewed but not audited, by PricewaterhouseCoopers Inc., an independent registered public audit firm located at 4 Lisbon Lane, Waterfall City, Jukskei View 2090, South Africa (**PwC**). PwC has not resigned, been removed or not been reappointed as the Company’s auditors during the three months ended 30 June 2019, FY 2019, FY 2018 and FY 2017.

The auditors signing the reports on behalf of PwC are registered auditors and members of the South African Institute of Chartered Accountants.

The Combined Carve-out Financial Statements should be read in conjunction with the accompanying notes thereto and PwC’s reports thereon.

The Combined Carve-out Financial Statements are special-purpose statements prepared for the purposes of the Admissions and present the historical financial information of the Company in the format that it intends to report its financial results in the future beginning with the publication of the Company’s statutory consolidated financial statements for FY 2020. For reporting for periods beginning on 1 April 2019, the Company, as the legal parent of the Group, will prepare consolidated financial statements based on applicable Dutch and European Union law, including relevant comparative financial information, which will be different in comparison with the Combined Carve-out Financial Statements. In those consolidated financial statements for FY 2020 (including comparatives), the income statement will not include certain corporate allocations. Also, these consolidated financial statements will include the assets and liabilities, income statement and cash flows of certain businesses of the video-entertainment business until its disposal on 28 September 2018.

As the Group did not operate as a stand-alone entity in the past, the Combined Carve-out Financial Statements may not be indicative of the Group’s future performance and what its combined results of operations, financial position and cash flows would have been, had the Group operated as an entity separate from the Naspers Group for the periods presented.

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

Emphasis of Matter

The unqualified opinions for the Annual Combined Carve-out Financial Statements and the Interim Combined Carve-out Financial Statements include an emphasis of matter paragraph, in which the Company’s auditors noted that:

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

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

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

Segmental Data

The Group will have the same governance structures as the Naspers Group. It will have the same board and management oversight, including the same individuals comprising the chief operating decision-maker (the **CODM**). Accordingly, the CODM for the Naspers Group will be the same CODM for the Group. The Group's operating segments are identified on the basis of internal reports about components of the Group that will be regularly reviewed by the CODM in order to allocate resources to the segments and to assess their performance. The segments of the Group will be the same as that previously reported on by the Naspers Group, excluding the South African ecommerce, video-entertainment and the media businesses, which do not form part of the Group. The Group currently presents nine operating segments based on its business by service or product as follows: Ecommerce, comprising Classifieds, Payments and Fintech, Food Delivery, Etail, Travel and other Ecommerce, Social and Internet Platforms, comprising Tencent and the Mail.ru Group, and Corporate. In FY 2017, Ecommerce included a further operating segment, Marketplace, which was disposed of in that year and is disclosed as a discontinued operation in FY 2017 in the Annual Combined Carve-out Financial Statements. For further information about the Group's operating segments, see note 1 of the Annual Combined Carve-out Financial Statements.

The Group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to be more reflective of the economic value 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 the Group's segmental review and are accordingly not directly comparable to the Group's consolidated revenue and trading profit figures. For further information, see "*—Non-IFRS Financial Measures and APMs—Economic interest*" below.

Non-IFRS Financial Measures and APMs

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

The Company provides Non-IFRS Measures and other information because the Board believes that they provide investors with additional information to measure the operating performance of the Group. The Group's use of Non-IFRS Measures may vary from the use 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 than the Board 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 Board may exclude additional items if the Board believes doing so would result in a more transparent and comparable disclosure.

The Non-IFRS Measures should be considered in conjunction with the Combined Carve-out 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, from continuing operations 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; and (iv) share-based payment expenses on transactions where there is no cash cost to the Naspers Group 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).
- **EBITDA:** EBITDA represents operating profit/loss from continuing operations, 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; and (v) share-based payment expenses on transactions where there is no cash cost to the Naspers Group 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 equity holders of the Group, excluding certain defined separately identifiable remeasurements relating to, amongst others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 4/2018, headline earnings, as issued by the South African Institute of Chartered Accountants, pursuant to 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 Company. These include those relating to share-based incentive awards settled by issuing treasury shares as well as certain share-based payment expenses that are deemed to arise on shareholder transactions; (ii) deferred taxation income recognised on the first-time recognition of deferred tax assets as this generally relates to multiple prior periods and distorts current period performance; (iii) fair-value adjustments on financial instruments (including put option liabilities) and unrealised currency translation differences, as these items obscure the Group’s underlying operating performance; (iv) one-off gains and losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in the composition of the Group and are not reflective of its underlying operating performance; and (v) the amortisation of intangible assets recognised in business combinations and acquisitions, as these expenses are not considered operational in nature. These adjustments are made to the earnings of combined 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 finance leases repaid (gross); and (iii) cash taxation paid. Free cash flow reflects an additional way of viewing the Company’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 its 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 Combined Carve-out Financial Statements to present the growth in such metrics in local currency and excluding the effects of

changes in the composition of the Group. Such underlying adjustments provide a view of the Company's underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in the composition of the Group on its results. Such adjustments are referred to herein as “**growth in local currency, excluding acquisitions and disposals**”. The Group applies the following methodology in calculating growth in local currency, excluding acquisitions and disposals:

- Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the U.S. Dollar) used for the Group's most significant functional currencies, were: Chinese Yuan Renminbi (three months ended 30 June 2019: 0.1463, three months ended 30 June 2018: 0.1549, FY 2019: 0.1485; FY 2018: 0.1517; FY 2017: 0.1483), South African Rand (three months ended 30 June 2019: 0.0698, three months ended 30 June 2018: 0.0771, FY 2019: 0.0723; FY 2018: 0.0774; FY 2017: 0.0713), Polish Zloty (three months ended 30 June 2019: 0.2634, three months ended 30 June 2018: 0.2742, FY 2019: 0.2684; FY 2018: 0.2794; FY 2017: 0.2516), Russian Rouble (three months ended 30 June 2019: 0.0155, three months ended 30 June 2018: 0.159, FY 2019: 0.0153; FY 2018: 0.0173; FY 2017: 0.0159), Indian Rupee (three months ended 30 June 2019: 0.0144, three months ended 30 June 2018: 0.0148, FY 2019: 0.0143; FY 2018: 0.0155; FY 2017: 0.0149), and Brazilian Real (three months ended 30 June 2019: 0.2565, three months ended 30 June 2018: 0.2701, FY 2019: 0.2622; FY 2018: 0.3097; FY 2017: 0.3061).
- Adjustments made for changes in the composition of the Group relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in the Group's shareholding in its equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business. In the three months ended 30 June 2019, net adjustments made for all acquisitions and disposals during the relevant period amounted to a negative adjustment of US\$102 million on revenue and a negative adjustment of US\$12 million on trading profit. In FY 2019, net adjustments made for all acquisitions and disposals during the relevant period amounted to a negative adjustment of US\$985 million on revenue and a negative adjustment of US\$235 million on trading profit. In FY 2018, net adjustments made to continuing operations for all acquisitions and disposals during the relevant period amounted to a negative adjustment of US\$162 million on revenue from continuing operations and a negative adjustment of US\$11 million on trading profit from continuing operations.
- **Economic interest:** Investments in associated companies and joint ventures have been accounted for under the equity method for all periods, unless otherwise indicated. Associated companies are those companies over which 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 Combined Carve-out Financial Statements. References to “revenue from the combined Group” or “trading profit from the combined Group” therefore exclude the Group's share of revenue or trading profit from investments in associated companies and joint ventures. This approach has also been followed throughout the section “*Operating and Financial Review*”. The Company 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.

In accordance with IFRS 8, Operating Segments, which aligns the reporting of operating segments with internal management reporting, the Company reports investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes only. Proportionate consolidation is a method of accounting whereby 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 Combined Carve-out 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 that of the Group, and the Group's accounting policy is to account for an appropriate lag period in reporting their 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 the Group's segmental revenue for the combined group refer to its external revenue only and do not include any inter-segmental revenue, which are eliminated on consolidation.

Certain Operational Metrics

This Prospectus contains certain operational metrics which are not part of the Combined Carve-out Financial Statements or financial accounting records of the Group 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 the Group's 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 Group's internal systems and tools 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 (C2C) or B2C platform.
- **Average monthly paying listers:** a measure of the number of monthly users on a platform who yield one or more revenue-generating transactions, such as listing fees or advertising.
- **Total payments in value:** a measure of payments, net of payment reversals, successfully completed through a payments platform (PayU), excluding transactions processed through gateway products (i.e., those that link a merchant's website to its processing network and enable merchants to accept credit or debit card online payments).
- **Internal rate of return:** is presented in this Prospectus for illustrative purposes only and is calculated based on the estimated valuations of the Group's internet investments. The estimated valuations are calculated as of 31 March 2019 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.

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**” 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 “**HK\$**” are references to the lawful currency of Hong Kong;
- “**Indian Rupee**” are references to the lawful currency of India;
- “**Polish Zloty**” are references to the lawful currency of Poland;
- “**Russian Rouble**” 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\$**” are references to the lawful currency of the United States.

Market and Industry Data

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

Statements based on the Company’s own estimates, insights, opinions or proprietary information contain words such as “believe”, “expect” and “see” and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read.

This Prospectus contains statistics, data and other information relating to markets, market positions, market shares, market sizes and other industry data pertaining to the Group’s business and markets. The information in this Prospectus that has been sourced from third parties has been accurately reproduced with reference to these sources in the relevant paragraphs and, as far as the Company is aware and able to ascertain from the information published by that third party, no facts have been omitted that would render the reproduced information provided inaccurate or misleading.

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

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

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 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 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 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, resale, pledge or other transfer of the N Ordinary Shares.

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, 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. 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.

Notice to Persons in the United States

This Prospectus does not constitute an offer of securities for sale in the United States or an offer to acquire or exchange securities in the United States. The N Ordinary Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the U.S. Securities Act or an exemption therefrom. The N Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the SEC), 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 this Prospectus. Any representation to the contrary is a criminal offense in the United States.

Notice to Persons in Australia

This Prospectus is only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act of 2001 (Cth), as amended, (the **Australian Corporations Act**). This Prospectus is not a prospectus, product disclosure statement or any other form of "disclosure document" for the purpose of the Australian Corporations Act and is not required

to, and does not contain all the information which would be required in a disclosure document under the Australian Corporations Act. The N Ordinary Shares issued under the M Share Capitalisation Issue are being issued for the purposes outlined under “*Overview of the Transaction—Background to, and Reasons for, the Transaction*”, and not for the purpose of persons selling or transferring the N Ordinary Shares, or granting, issuing or transferring interests in, or options or warrants over, the N Ordinary Shares. No one may distribute this Prospectus in Australia, or engage in any conduct in relation to the N Ordinary Shares, that would require the preparation of a “*disclosure document*” or require an Australian Financial Services Licence. The Company does not hold an Australian Financial Services Licence and is not licensed to provide financial product advice in relation to the N Ordinary Shares. No “*cooling-off*” regime will apply to the issue of N Ordinary Shares under the Naspers M Share Capitalisation Issue.

This Prospectus does not take into account the investment objectives, financial situation or needs of any particular person. Accordingly, before making any investment decision, prospective investors should assess whether the issue of the N Ordinary Shares under the Naspers M Share Capitalisation Issue is appropriate in light of their own financial circumstances or seek professional advice.

Notice to Persons in Bermuda

To the extent that any N Ordinary Shares 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 Canada

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the N Ordinary Shares in Canada. In particular, the N Ordinary Shares have not been, and will not be, qualified for sale to the public under the applicable securities laws of Canada and, accordingly, any offer and sale of the N Ordinary Shares in Canada will be made on a basis which is exempt from the prospectus requirements of the applicable securities laws of Canada. No securities commission or similar authority in Canada has reviewed this Prospectus or has in any way passed upon the merits of any securities referenced in this Prospectus and any representation to the contrary is an offence.

Notice to Persons in the Cayman Islands

No invitation, whether direct or indirect, is being made to the public in the Cayman Islands to subscribe for N Ordinary Shares by this Prospectus.

Notice to Persons in Japan

The N Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended, (the **FIEA**) and neither the Company nor Naspers (or any dealer, seller or underwriter appointed by any of them) will offer or sell any such securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Notice to Persons in Panama

The N Ordinary Shares have not been, and will not be, registered with the Superintendence of Capital Markets of Panama (the **SCM**) under Decree Law No. 1 of 8 July 1999 and Law 67 of 1 September 2011 and its regulations (the **Panamanian Securities Act**) and may not be publicly offered or sold within Panama, except in certain limited transactions exempted from the registration requirements of the Panamanian Securities Act. The N Ordinary Shares do not benefit from the tax incentives accorded to registered securities by the Panamanian Securities Act and are not subject to regulation or supervision by the SCM.

Notice to Persons in the PRC

This Prospectus does not constitute a public offer of N Ordinary Shares, whether by way of sale or subscription, in the PRC. Except to the extent consistent with applicable laws and regulations in the PRC, N Ordinary Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to the laws and regulatory

requirements in the PRC, with the exception to the extent consistent with applicable laws and regulations in the PRC, N Ordinary Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any jurisdiction other than the PRC.

Notice to Persons in South Africa

This Prospectus does not, nor does it intend to, constitute a “*registered prospectus*” or “*advertisement*”, as contemplated by the South African Companies Act; and no prospectus has been filed with CIPC in respect of the Transaction. As a result, this Prospectus does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act, and has not been approved by, and/or registered with, CIPC. FinSurv and the JSE have approved this Prospectus. FinSurv has also approved the inward listing of the N Ordinary Shares on the Main Board of the JSE and classified the A Ordinary Shares and the inward listed N Ordinary Shares as “*domestic*” for South African exchange control purposes. See “*Description of Share Capital and Corporate Structure—Exchange Controls—South Africa*”.

The information contained in this Prospectus constitutes factual information as contemplated in Section 1(3)(a) of the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended (the **South African FAIS Act**) and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the N Ordinary Shares or in relation to the business or future investments of the Group is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this Prospectus should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Group is not a financial services provider licensed as such under the South African FAIS Act.

Notice to Persons in South Korea

The N Ordinary Shares have not been, and will not be, registered under the Financial Investment Services and Capital Markets Act of South Korea and the regulations thereunder (**FISCMA**). Accordingly, the N Ordinary Shares may not be offered, sold, delivered or transferred, directly or indirectly, in South Korea or to, or for the account or benefit of, any resident of South Korea (as defined in FISCMA) except as otherwise permitted under applicable South Korean laws and regulations.

Notice to Persons in Switzerland

No N Ordinary Shares may be offered, sold or advertised directly or indirectly into or in Switzerland except in a manner that will not result in a public offering within the meaning of Article 652a or 1156 of the Swiss Code of Obligations. Neither this Prospectus or any other offering or marketing materials relating to the N Ordinary Shares have been prepared with regard to the disclosure standards for prospectuses under Article 652a or 1156 of the Swiss Code of Obligations, the listing rules of SIX Swiss Exchange or similar rules of other Swiss trading venues, and therefore do not constitute a prospectus within the meaning of Article 652a or 1156 of the Swiss Code of Obligations, the listing rules of SIX Swiss Exchange or similar rules of other Swiss trading venues. Neither this Prospectus nor any other materials relating to the N Ordinary Shares may be distributed, published or otherwise made available in Switzerland except in a manner that will not constitute a public offering of the N Ordinary Shares into or in Switzerland.

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 Product Governance Requirements) may otherwise have with respect thereto, the N Ordinary Shares have been subject to a product approval process, which has determined that the N Ordinary Shares 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 N Ordinary Shares may decline and investors could lose all or part of their investment; the N Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the N Ordinary Shares 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 N Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the N Ordinary Shares 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", "goal", "hope", "intend", "may", "objective", "plan", "position", "potential", "predict", "project", "risk", "seek", "should", "target", "will" or "would" or the highlights or the negatives thereof, other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this 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*", "*Dividends and Dividend Policy*", "*Business*" and "*Operating and Financial Review*" 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 Group'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;
- limitations or restrictions on foreign investment and ownership; and
- adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations.

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 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 Myriad International Holdings N.V. (to be renamed Prosus N.V. with effect from the Settlement Date), 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 management board (*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 has a long history of investing in technology companies to capture growth, and has transformed itself from a print media, pay-television and video-entertainment company into one of the top 10 global consumer internet companies by market capitalisation. Through its growth, Naspers has created significant value for its stakeholders. This rapid growth has, however, also created some unique market dynamics. Naspers constitutes almost 25% of the JSE Shareholder Weighted Index, compared to 5% in 2013, and its outsized index weighting on the JSE and in key FTSE/JSE indices exceeds most South African institutional investors' single stock limits. It is uncommon for a single stock to have such an outsized weighting when compared to other indices. As a result of their single company investment limits and mandate restrictions, many South African institutional investors have been forced to sell their Naspers N Ordinary Shares as Naspers has grown.

After careful and comprehensive evaluation of the merits of other strategic options, it was concluded that the Transaction is the most promising way to attempt to address these market dynamics and to create further shareholder value. Recently, several actions have been undertaken by Naspers to address Naspers's index weighting on the JSE and to maximise shareholder value. These include: increasing the capacity of the Naspers ADS (as defined below) facility; trimming the Naspers Group's stake in Tencent; disposing of developed assets or assets that were no longer core to the Group's business in the amount of approximately US\$6 billion since FY 2015; driving growth across its core internet businesses; deploying approximately US\$9 billion in more than 150 investment rounds between FY 2015 and FY2019, and turning its Classifieds business and several of its other early-stage investments to profitability.

In addition, at the beginning of March 2019, MultiChoice Group Limited (**MultiChoice**) listed its shares and, subsequently, Naspers unbundled those MultiChoice shares to its shareholders (the **MultiChoice Unbundling**), creating a new top-40 JSE-listed company in South Africa with a market capitalisation of c. US\$3.5 billion on listing. The move completed Naspers's transformation to a global consumer internet company, with effectively all revenues and profits now coming from online sources.

Naspers believes that the Transaction is a significant step and presents a new opportunity for global internet investors to access Naspers's unique portfolio of international internet assets through the Company. Naspers intends for the Transaction to reduce its index weighting on the JSE and at the same time create a new platform to attract incremental demand from a broader range of global investors. Naspers believes that the Transaction is well aligned to its continued growth ambitions and will help to maximise shareholder value over time. The Company is expected to be one of the 10 largest consumer internet groups in the world and have a market capitalisation of approximately US\$100 billion on the First Trading Date (based on the market capitalisation of the Naspers N Ordinary Shares at the close of trade on the Last Practicable Date).

Following careful analysis, Naspers believes that the choice of Euronext Amsterdam is, and will be, beneficial to the Company as Euronext markets are some of the largest, most integrated and proven capital markets in Europe, with Euronext markets having close to 1,300 listed issuers with a combined market capitalisation of c. €3.5 trillion as at 31 March 2019. In addition, Euronext markets connect and integrate all of the European markets in which the Company will operate and will provide the Naspers Group (through the Company) with access to broader and deeper investor bases, comprising the Eurozone, the United Kingdom and other international investors. Furthermore, as the Company already has an established corporate presence in the Netherlands, Euronext Amsterdam was a logical choice. In addition, Europe is home to several of Naspers's segmental peers, notably in classifieds and food delivery, and this may further underpin trading, interest and support for the Company.

Overview of the Transaction

On 25 March 2019, Naspers announced its intention to list its international internet assets on Euronext Amsterdam and, as a secondary listing, on the Main Board of the JSE.

On 19 July 2019, Naspers issued a circular to its shareholders in relation to the extraordinary general meeting of Naspers shareholders (the **Naspers Circular**), in which it announced its intention, subject to the terms and conditions set out in the Naspers Circular, to implement the Transaction.

The Transaction provides flexibility to Naspers N Shareholders by giving them the option to receive N Ordinary Shares (under the Naspers M Share Capitalisation Issue (as defined below)) or additional Naspers N Ordinary Shares (under the Naspers N Share Capitalisation Issue (as defined below)). Naspers N Shareholders must take appropriate advice, as necessary, particularly in relation to the potential tax

implications of the Capitalisation Issue (as defined below). See “*Taxation—Taxation in the Netherlands—Capitalisation Issue*” and “*Taxation—Taxation in South Africa—Capitalisation Issue*”. For South African tax resident individuals, receiving N Ordinary Shares means that tax needs to be paid now that would otherwise have been payable at a later stage, such as when selling Naspers N Ordinary Shares in the future (i.e., there is an acceleration of tax but not a double tax). For this reason, South African tax resident individuals may prefer not to receive N Ordinary Shares but can instead decide to take additional Naspers N Ordinary Shares. By electing to receive these additional Naspers N Ordinary Shares, those South African tax resident individuals will not pay tax now but will still pay tax if they decide to sell Naspers N Ordinary Shares in the future.

Subject to the terms and conditions set out in the Naspers Circular, Naspers thus intends to:

- to implement a capitalisation issue in terms of Section 47 of the South African Companies Act, 71 of 2008, as amended (the **South African Companies Act**) and Article 14 of the memorandum of incorporation of Naspers, as amended, (the **Naspers Memorandum of Incorporation**) (the **Naspers M Share Capitalisation Issue**). In terms of the Naspers M Share Capitalisation Issue, Naspers N Shareholders will be issued M ordinary shares in the capital of Naspers (the **Naspers M Ordinary Shares**). The Naspers M Ordinary Shares will be automatically contributed to the Company in return for the issue of one N Ordinary Shares to Naspers N Shareholders for each Naspers M Ordinary Share contributed;
- to issue Naspers N Ordinary Shares to Naspers N Shareholders as a capitalisation issue in terms of Section 47 of the South African Companies Act and Article 14 of the Naspers Memorandum of Incorporation (the **Naspers N Share Capitalisation Issue**, and together with the Naspers M Share Capitalisation Issue, the **Capitalisation Issue**) that elect, in accordance with the procedure set out in the Naspers Circular (an **Election** or **Elect**), to participate in the Naspers N Share Capitalisation Issue instead of participating in the Naspers M Share Capitalisation Issue. Naspers N Shareholders making an Election to participate in the Naspers N Share Capitalisation Issue shall be issued 0.36986 Naspers N Ordinary Shares for each Naspers M Ordinary Share that they would otherwise have been entitled to be issued as at the Record Date had they participated in the Naspers M Share Capitalisation Issue. The results of these Elections 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 (**SENS**);
- related to the Naspers N Share Capitalisation Issue, to implement a *pro rata* capitalisation issue of A ordinary shares in the capital of Naspers with a par value of ZAR20.00 each (the **Naspers A Ordinary Shares**) to holders of Naspers A Ordinary Shares (the **Naspers A Shareholders**) in terms of Section 47 of the South African Companies Act and Article 14 of the Naspers Memorandum of Incorporation (the **Naspers A Share Capitalisation Issue**); and
- following the Capitalisation Issue and the Naspers A Share Capitalisation Issue being implemented, to make a distribution in kind of A Ordinary Shares to Naspers A Shareholders through a *pro rata* distribution in kind for no consideration in terms of Section 46 of the South African Companies Act (the **A Share Distribution**, and together with the Capitalisation Issue and the Naspers A Share Capitalisation Issue, the **Capital Restructure**).

On 23 August 2019, Naspers’s shareholders approved, among other things, the resolutions required to authorise the implementation of the Capital Restructure. As at the date of this Prospectus, all the conditions to the implementation of the Capitalisation Issue set out in the Naspers Circular have been fulfilled or waived.

The Naspers board of directors (the **Naspers Board**) reserves the right, in its discretion, to decide not to proceed with the Transaction until 14:00 on the last day to trade in Naspers N Ordinary Shares in order to be able to participate in the Capitalisation Issue, currently expected to be Tuesday, 10 September 2019. This discretion will include, but not be limited to, the right to amend the timetable for the Transaction. The Capitalisation Issue will be unconditional for all purposes upon the issue of a finalisation announcement by Naspers on SENS.

On the Capital Restructure Date, Naspers will hold its media assets (primarily, Media24 Holdings Proprietary Limited (**Media24**)) and certain ecommerce assets in South Africa (primarily, Takealot, Mr D Food and Property24), treasury shares in Naspers that are held for the purposes of certain Naspers Group share schemes, the investments made by Naspers Foundry, a technology start-up initiative, and between 73.00% and 83.00% of the N Ordinary Shares (depending on the Elections made by Naspers

N Shareholders in the Naspers N Share Capitalisation Issue). See “*Shareholder Structure and Related Party Transactions—Shareholder Structure*” for further details on the relationship between Naspers and the Group.

Naspers may at any time after the Capitalisation Issue is implemented, depending on market conditions and other factors, offer to sell N Ordinary Shares to new investors.

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 Capital Restructure Date.

Stock Exchange Admissions

The Company

The Company was incorporated, and is domiciled, in the Netherlands. All of the N Ordinary Shares will be admitted 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.

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 “*Description of Share Capital and Corporate Structure—Exchange Controls—South Africa*”.

The Company intends to establish a level one sponsored facility (the **Company ADS Facility**) for dealing in American depository shares, each representing an interest in an N Ordinary Share, (the **Company ADS**) on the First Trading Date. See “*Company ADS Facility*”.

In addition, the Company has issued the 6.000% notes due in 2020 (the **2020 Notes**), 5.500% notes due in 2025 (the **2025 Notes**) and 4.850% notes due 2027 (the **2027 Notes**) (together, the **Company Notes**), which are admitted to listing on the official list of Euronext Dublin (the **Euronext Dublin Official List**) and trading on the Global Exchange Market of Euronext Dublin, an exchange regulated market operated by The Irish Stock Exchange plc (trading as Euronext Dublin) (the **Global Exchange Market of Euronext Dublin**), as further described in “*Operating and Financial Review—Description of Indebtedness*”.

Index inclusion of the N Ordinary Shares as a result of the Admissions will be determined by the index providers’ specific rules on eligibility. It is expected that any indices in which the N Ordinary Shares will be included from the Admissions will be announced shortly before the date of the Admissions, but there can be no certainty of this.

Naspers

Naspers was incorporated, and is domiciled, in South Africa. All of the Naspers N Ordinary Shares are admitted to listing and trading on the Main Board of the JSE, as a primary listing, under the symbol “Naspers-N” and, as a secondary listing, A2X (**A2X**), a licensed exchange operated by A2X Proprietary Limited, under the symbol “Naspers-N”. American depository shares, each representing an interest in a Naspers N Ordinary Share (the **Naspers ADS**), are admitted to listing on the official list of the UK Financial Conduct Authority (the **UK Official List**) and to trading on the regulated market for listed securities of the London Stock Exchange plc (the **London Stock Exchange**). Save for the Naspers ADS facility, which Naspers intends to unwind following the First Trading Date, these securities will remain admitted to listing and trading on the relevant stock exchanges on the First Trading Date.

Timetable

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

Event ⁽ⁱ⁾	Date (2019)
Publication of this Prospectus.....	Monday, 26 August
Elections in relation to the Naspers N Share Capitalisation Issue open	Monday, 26 August
Last day to trade in Naspers N Ordinary Shares in order to be able to participate in the Capitalisation Issue	Tuesday, 10 September
Naspers N Ordinary Shares trade “ex” the entitlement to participate in the Capitalisation Issue.....	Wednesday, 11 September
Listing of N Ordinary Shares on Euronext Amsterdam and the JSE at 09:00	Wednesday, 11 September
Announcement to be released on SENS on the cash proceeds in respect of fractional entitlements of Naspers N Ordinary Shares by 11:00	Thursday, 12 September
Elections in relation to the Naspers N Share Capitalisation Issue close at 12:00.....	Friday, 13 September
Record Date in respect of the Capitalisation Issue, the Naspers A Share Capitalisation Issue and the A Share Distribution (the Record Date) at 17:00.....	Friday, 13 September
Listing of Naspers N Ordinary Shares pursuant to the implementation of the Naspers N Share Capitalisation	Monday, 16 September
Implementation of the Capitalisation Issue (including the issue of Naspers M Ordinary Shares and the automatic contribution for the issue of the N Ordinary Shares) and the Naspers A Share Capitalisation Issue	Monday, 16 September
Settlement of the Capitalisation Issue ⁽ⁱⁱ⁾	Monday, 16 September
The Bank of New York Mellon, as depositary, expects to receive credit of the N Ordinary Shares (at its custodian banks in the Netherlands) allocated to the Company ADS Facility pursuant to the Naspers M Share Capitalisation Issue and to deliver the Company ADSs to holders of the Naspers ADSs	on or about Monday, 16 September
A Share Distribution implemented and the Capital Restructure Date	Tuesday, 17 September

(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 SENS.

(ii) As trading of N Ordinary Shares will be settled in Euroclear Nederland and the Strate System, as the case may be, settlement of the first trades will take place three trading days after the first trades are executed in order to accommodate settlement in the Strate System. N Ordinary Shares are expected to list and commence trading on Euronext Amsterdam and the JSE on an “as-if-and-when-issued” basis on Wednesday, 11 September 2019 and the trades executed on the First Trading Date are expected to settle on Monday, 16 September 2019, on both Euronext Amsterdam and the JSE. Following the First Trading Date, settlement of trades in N Ordinary Shares 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.

Delivery, Clearing and Settlement

For purposes of Admission to:

- Euronext Amsterdam, the N Ordinary Shares 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 N Ordinary Shares 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, the N Ordinary Shares will be held through PLC Nominees Proprietary Limited (**PLC Nominees**) to facilitate cross-exchange holdings and the recognition of immobilised N Ordinary Share positions underlying the equivalent traded N Ordinary Share position issued in the Strate System. Strate has approved the N Ordinary Shares 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.

Delivery of the N Ordinary Shares issued under the Capitalisation Issue will take place on the Settlement Date through the book-entry facilities of Euroclear Nederland, in the case of shareholders holding N Ordinary Shares trading on Euronext Amsterdam (**Euronext Amsterdam Investors**), and the Strate System, in the case of JSE Investors, in accordance with their respective normal settlement procedures applicable to equity securities. As trading of N Ordinary Shares will be settled in Euroclear Nederland and the Strate System, as the case may be, settlement of the first trades will take place three trading days after the first trades are executed in order to accommodate settlement in the Strate System. N Ordinary Shares are expected to list and commence trading on Euronext Amsterdam and the JSE on an “as-if-and-when-issued” basis on Wednesday, 11 September 2019 and the trades executed on the First Trading Date are expected to settle on Monday, 16 September 2019, on both Euronext Amsterdam and the JSE. Following the First Trading Date, settlement of trades in N Ordinary Shares 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.

The acquisition of, and trading in, N Ordinary Shares admitted to listing and trading on the Main Board of the JSE may only be done in terms of the ExCon Rules (as defined below). See “*Description of Share Capital and Corporate Structure—Exchange Controls—South Africa*”.

Trading in N Ordinary Shares before the Settlement Date will take place on an “as-if-and-when-issued” basis. Any transactions in N Ordinary Shares prior to Settlement are at the sole risk of the parties concerned. None of the Company, Naspers, the Financial Advisers, the Euronext Listing and Paying Agent, the JSE Sponsor, the JSE Transfer Secretary, the Cross-border Settlement Agent, Euronext Amsterdam N.V. or the JSE accept any responsibility or liability for any loss incurred by any person as a result of an annulment of any transactions in N Ordinary Shares on Euronext Amsterdam or the JSE.

Listing and Trading

Prior to being admitted to trading on Euronext Amsterdam and the JSE, there has been no public trading market for the N Ordinary Shares.

All of the N Ordinary Shares will be admitted 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 N Ordinary Shares’ International Security Identification Number (ISIN) is NL0013654783.

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

The Admission to each of Euronext Amsterdam and the JSE is conditional on the other Admission proceeding. Accordingly, if for any reason the Admission to Euronext Amsterdam does not proceed, the Admission to the JSE will not proceed (and vice versa). In addition, if the Capital Restructure does not proceed, the Admissions will not proceed.

Other than the N Ordinary Shares and the 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.

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, the Cross-border Settlement Agent, the Euronext Listing and Paying Agent and the JSE Sponsor are 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 have 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 their business with the Group and/or the Naspers Group (or any parties related to the Group and/or Naspers Group) for which they have 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 and Naspers is the guarantor.

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 N Ordinary Shares. None of the Financial Advisers, the Cross-border Settlement Agent, the Euronext Listing and Paying Agent, the JSE Sponsor 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. 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.

Cross-border Settlement Agent

Citibank, N.A. South Africa Branch is the Cross-border Settlement Agent for the transfer of N Ordinary Shares between Euronext Amsterdam and the JSE.

JSE Transfer Secretary

Computershare Investor Services Proprietary Limited is the Company's transfer secretary for purposes of settlement of N Ordinary Shares through the Strate System.

JSE Sponsor

The Company's sponsor for JSE-purposes is Investec Bank Limited.

DIVIDENDS AND DIVIDEND POLICY

Dividend History

The Company did not declare or pay cash dividends in respect of FY 2019, FY 2018 or FY 2017.

On 4 March 2019, the Naspers Group implemented the MultiChoice Unbundling. As part of establishing the MultiChoice group of companies, as it existed on the date of the MultiChoice Unbundling, the Company distributed the shares it held in MultiChoice Africa Holdings B.V., Irdeto Holdings B.V. and Showmax B.V., to its shareholder at the time, and such shares were ultimately transferred to MultiChoice.

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 does not intend to declare or pay dividends before the end of its current fiscal year, ending 31 March 2020. 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. 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 N Ordinary Shares—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 N Ordinary Shares. See "*Taxation*".

Manner and Time of Dividend Payments

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

Any dividends that are paid to holders of N Ordinary Shares 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 N Ordinary Shares. Payment of dividends on the N Ordinary Shares not held through Euroclear Nederland or the Strate System and the A Ordinary Shares 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 A Ordinary Shares and the N Ordinary Shares

Each A Ordinary Share and each N Ordinary Share 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 A Ordinary Shares and the N Ordinary Shares, respectively. Each holder of an A Ordinary Share shall be entitled to one-fifth of the dividend rights to which a holder of an N Ordinary Share is entitled, multiplied by the percentage of N Ordinary Shares not held by Naspers. The profit ranking of the A Ordinary Shares and the N Ordinary Shares will not change if the Protection Structure is activated.

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 are generally subject to withholding tax in the Netherlands and South Africa. See “*Taxation—Taxation in the Netherlands—Dividend Withholding Tax*” and “*Taxation—Taxation in South Africa—Dividend Withholding Tax*”.

BUSINESS

Overview

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 1.5 billion people in 89 markets, and are the market leaders in 77 of those markets. The Group's consumer internet services span the core focus segments of Classifieds, Payments and Fintech as well as Food Delivery, plus other online businesses including Etail and Travel. 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, invests in and adapts proven business models for the high-growth markets it is focusing on, and leverages its skills and 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 several markets that present above-average growth opportunities (when compared to mature markets) due to their economic growth, 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 it each of its businesses to differentiate itself from its 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 its interests in Classifieds, Payments and Fintech, Food Delivery, Etail, Travel and other Ecommerce (including Ventures)), Social and Internet Platforms (which comprises its interests in Tencent and Mail.ru Group) and Corporate (relating to its Group-level corporate services and treasury function).

Ecommerce (Global Consumer Internet Portfolio)						
Classifieds	Payments and Fintech	Food Delivery	Etail	Travel	Ventures	Social and Internet platforms
OLX 100%	PayU 98.8%	ifood 54.8%	EMAG 80.1%	make my trip 42.6%	Udemy 12.7%	Tencent 腾讯 30.99%
Avito 100%	Remittly 21.8%	Delivery Hero 22.3%			BRAINLY 42.7%	mail.ru group 28.0%
dubizzle 100%		SWIGGY 38.8%			SimilarWeb 24.2%	
letgo 79.9%					codecademy 21.1%	
					SOL LEARN 15.3%	
					honor 16.5%	
					BYJU'S 11.6%	
					mobile 82.1%	
					meesho 12.1%	

- (i) This table shows the Group's effective interest in each of the companies as at the date of this Prospectus.
- (ii) In April 2019, the Group announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will exchange its interest in MakeMyTrip for an interest in Ctrip.com International, Ltd. (**Ctrip**) (the **Ctrip Transaction**). Concurrent with the share exchange, Ctrip will invest certain ordinary shares and class B shares of MakeMyTrip in a third-party investment entity. Post the Ctrip Transaction, the Group will own approximately 6% of Ctrip's outstanding ordinary shares, and Ctrip and the third-party investment entity will own ordinary shares and class B shares of MakeMyTrip, representing approximately 49.0% and 4.0% of MakeMyTrip's total voting power, respectively. On 20 August 2019, the Competition Commission of India approved the Ctrip Transaction. As at the date of this Prospectus, some of the closing conditions have not been met. The Ctrip Transaction is expected to close in August 2019.

Competitive Strengths

Addressing Major Societal Needs with Early-Stage Investments in Growth Markets

The Group is a global consumer internet group and one of the largest technology investors in the world. The Group focuses on building platforms that address major societal needs in high-growth markets, as internet platforms are increasingly replacing traditional business models. As technology has evolved, devices

have shifted from analogue to digital and consumers have shifted from desktop to mobile. The Group has focused on delivering new products and services that offer users fast, intuitive and secure environments in which to trade, transact, procure goods, services and food, and communicate across platforms, desktop or mobile. The Group believes that the value of these products and services is underpinned by the societal benefits that they offer. They bring people together and form communities in secure marketplaces, provide transparency and liquidity to enable fair and flexible economics through price discovery, and facilitate second-hand sales, contributing to a shared economy. Each of the Group's businesses and its investments address a major societal need:

- Its Classifieds businesses create local, secure online marketplaces that seamlessly connect buyers and sellers for trade with enhanced price transparency and convenience.
- Its Payments and Fintech businesses create an efficient, fast, secure and simple payment process for merchants and buyers and are aiming to increase access to credit in markets where a large percentage of the population isn't serviced by traditional lending institutions.
- Its Food Delivery businesses disrupt the manner in which food is sourced, prepared, delivered and ultimately consumed, through the creation of platforms aimed at: improving the business operations of restaurants, providing increased choice, convenience and value for consumers, and increasing the income for couriers.
- Its Etail business, eMAG, and its investment in travel, MakeMyTrip (which, subject to customary closing conditions, it will exchange for an interest in Ctrip under the Ctrip Transaction), provide secure regional platforms for users to shop and satisfy their travel needs.
- Its Ventures business invests in companies it believes have the potential to contribute towards the Group's next wave of growth. This includes investments in education, where traditional providers of education are struggling to meet the needs of a rapidly expanding global population, and in healthcare, where innovative technology-led solutions will be required to address the needs of an aging population in certain developed markets. In these markets, the Group believes that technology-enabled healthcare will provide a more affordable and convenient internet-based solution for people to access healthcare globally. The Group believes that education and healthcare are two scalable markets that will undergo a wave of disruption over the next decade.
- Its investments in social and internet platforms, Tencent and Mail.ru Group, cover a wide variety of internet services that are built around core communication and social networking platforms.

Operating and Investing in Attractive Geographies with Large Market Size and Strong Growth Potential

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 believes that, currently, the adoption curve for its consumer internet businesses is generally lower in these growth markets (when compared to mature markets). Overall, the Group estimates that approximately one-fifth of the world's population use products and services of businesses that the Group has built, acquired or invested in. Many of these users use the products and services of more than one of these businesses.

The Group has exposure to China, through its interest in Tencent, and to Russia, through its interest in Mail.ru Group and Avito. Subject to customary closing conditions, including obtaining the requisite regulatory approvals, the Group will have further exposure to China through Ctrip, when the Ctrip Transaction closes. The Group continues to strengthen its position in India, where it has a large presence across Classifieds (through OLX), Food Delivery (through Swiggy), Payments and Fintech (through PayU, which has been strengthened through the acquisition of online payment services platform, Citrus Pay (as defined below)), Travel (through MakeMyTrip), online marketplaces (through Meesho Inc. (**Meesho**)) and education (through BYJU'S (as defined below), the most popular learning app in India). The Group has invested approximately US\$3.1 billion in its Indian businesses and investee companies. The Group has exposure to Latin America (through, among others, OLX, PayU and iFood (as defined below) and Delivery Hero); Central and Eastern Europe (through, among others, OLX, PayU, Delivery Hero and eMAG); and North America (through, among others, letgo, PayU and Delivery Hero).

The Group believes that its consumer internet businesses, particularly its Classifieds, Payments and Fintech, Food Delivery, Etail and Travel businesses, have significant potential for future growth and offer opportunities for an enhanced range of internet transactions and services, in the markets in which it operates, as well as possible expansion into new markets. The Group believes that the growth in demand for its products and services will be driven by a number of underlying trends, including GDP growth,

population growth and attractive, younger demographics, growth in the middle-class, continued growth in mobile and high-speed internet penetration as well as the increasing adoption of new internet-based business models that are disrupting existing traditional business models across a range of different industries. Mobile devices offer a unique opportunity to provide anytime, anywhere, service and access to the broadest audience in a streamlined and easy-to-use manner. The Group employs a “mobile-first” philosophy when developing its strategies and business plans across all businesses and is seeing a dramatic shift from desktop to mobile internet use. Most of the Group’s global traffic, in some markets over 80%, comes from mobile devices.

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

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

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

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

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

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

Experienced Management Team with Proven Track Record of Investing in, Acquiring and Building Businesses

By identifying, building, investing in and acquiring leading companies, the Group has grown into a global consumer internet group and one of the largest technology investors in the world. The Group has an experienced and entrepreneurial management team that has demonstrated its ability to identify and support leading businesses from launch or initial acquisition through organic growth and selected acquisitions. The

Group seeks to hire and retain, across its geographies and operating segments, key executives who are accomplished and recognised in their respective fields. The Group has, for example, been strengthened with leading industry experts over the past few years.

The Group's investment criteria focus on: commitment, competence and strength of the local partners and management teams involved; the target's capacity to become and remain a market leader; a top entrepreneurial management team with a commitment to continue running the business; and the Group's ability to obtain a strategic interest in the target company. The Group does not have a defined investment period and intends to be a long-term, supportive shareholder, which it believes distinguishes it from traditional forms of private capital. The Group's track record includes:

- *Investing in leading companies at an early stage:* the Group has established strong positions in social and internet platforms in China and Russia through its investments in its associated companies, Tencent and Mail.ru Group. Both Tencent and Mail.ru Group illustrate the Group's ability to identify successful internet investment opportunities early in their development and help grow them into leading platforms. In 2001, the Group purchased a 46.5% interest in Tencent and, as at 31 March 2019, its 31.1% interest in Tencent was worth approximately US\$136.2 billion (based on an exchange rate of US\$1 to HK\$0.1275). In 2006, the Group purchased a 30% interest in Mail.ru Group for US\$166 million, and as at 31 March 2019, its 28.0% interest in Mail.ru Group was worth approximately US\$1.5 billion. During these periods, the Group continued to invest in these investments. For illustrative purposes only, for all its internet investments (including Tencent), from FY 2002 to FY 2019,² the Group had an internal rate of return of 41% based on invested capital³ of US\$13 billion and estimated valuation of US\$165 billion. For all its current internet investments (excluding Tencent, failed and disposed investments, and Buscapé Informação e Tecnologia Limitda (**Buscapé**), which it has agreed to dispose of),⁴ from FY 2008 to FY 2019, the Group had an internal rate of return of 20% based on invested capital⁵ of US\$11 billion and estimated valuation of US\$23 billion.⁶ Moreover, the Group had an internal rate of return of 29% for the disposal of its interests in Flipkart Private Limited (**Flipkart**) in FY 2019, and, assuming that the Ctrip Transaction closes as anticipated, is expected to have an internal rate of return of 24% for the disposal of its interest in MakeMyTrip.
- *Building leading global platforms:* the Group has built many of its businesses into market leaders in their industries and geographies. In 2010, the Group acquired a 67.8% interest in OLX Inc., a global online classifieds marketplace business with operations primarily in Brazil and India. The Group used the OLX Group marketplace to establish itself as a leading global online classifieds player, with more than 350 million monthly users on its platform globally. PayU operates payment platforms, with over 300 payment options, in 18 markets around the world and provides payment services to over 300,000 merchants as at 31 March 2019. The Group's Food Delivery businesses and investments operate in more than 40 markets.
- *Crystallising the value that is created:* the Group's management team has demonstrated its ability to create value for shareholders by selectively acquiring businesses with growth potential, disposing of developed assets or assets that were no longer core to the Group's business and winding down unsuccessful investments. Driven by its focus on capital allocation and realising shareholder value, the Group disposed of Grupo Allegro Sp. z o.o. (**Allegro**) and Ceneo Sp. z o.o. (**Ceneo**) (Etail) in FY 2017 and Flipkart (Etail) in FY 2019.
- *Demonstrating the ability to attract and source deals and deploy capital and management expertise in line with its strategy:* as the Group develops expertise and conviction in a business, it leverages its competitive strengths to make investments in, and build, that business. Since its initial acquisition of OLX Inc. in 2010, the Group has built its Classifieds business into a leading global online classifieds

² The Group acquired its interest in Tencent in FY 2002.

³ Excluding dividends and proceeds of disposals.

⁴ On 14 May 2019, the Group announced it had agreed to sell its interest in Buscapé. Subject to obtaining the relevant regulatory approvals, the sale of the Group's interest in Buscapé is expected to close in 2019.

⁵ Excluding dividends and proceeds of disposals.

⁶ The estimated valuations are calculated as at 31 March 2019 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 Naspsers 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.

player through, among other things, strategic acquisitions, including Avito and letgo, and joint ventures, including with Adevinta ASA (**Adevinta**) in respect of OLX Brazil. The Group has further strengthened its horizontal marketplaces through the acquisition of vertical-focused marketplaces. In Payments and Fintech, the Group consolidated a number of its payments businesses under PayU. While strengthening its payments franchise, PayU has made a number of acquisitions to support its ability to pursue opportunities in credit and remittance businesses. Similarly, the Group has increased its interests in food delivery business, from an initial investment in iFood, to acquiring a majority interest in iFood, and acquiring interests in Delivery Hero and Swiggy.

While pursuing its strategy, the Group has maintained a conservative capital structure. The Group's leverage profile and potential sources of liquidity provide it with the necessary flexibility to allow it to pursue its business strategy of organic growth and strategic acquisitions. As of 30 June 2019, the Group had cash and cash equivalents of US\$9,151 million (including short-term investments of US\$6,739 million) and undrawn available credit facilities of US\$2,557 million. In addition, if required, the Company will be able to approach the debt capital markets for additional debt capital. In the past, the Company has successfully raised US\$3.2 billion in debt from investors through the Company Notes (US\$1 billion in 2013, US\$1.2 billion in 2015 and US\$1 billion in 2017).

The Group's interests in Tencent, Mail.ru, Delivery Hero and MakeMyTrip (which, subject to customary closing conditions, it will exchange for an interest in Ctrip under the Ctrip Transaction), which are all publicly listed companies with a liquid secondary market free float, provide it with further financial flexibility. For example, in March 2018, the Group disposed of approximately 6% of its interest in Tencent (2% of Tencent's share capital) by way of an accelerated offering by private placement for net cash consideration of US\$9.76 billion. The disposal reduced the Group's effective interest in Tencent from 33.37% to 31.1%. These funds reinforced the Group's balance sheet and will primarily be invested over time to accelerate the growth of the Group's businesses globally. Following the Group's sale of a portion of its interest in Tencent, the Group announced on 22 March 2018 that it will not sell further Tencent shares for at least three years from such date.

Strategy

The Group intends to continue to focus on building platforms that address major societal needs in high-growth markets. During recent years, the Group has also increased its focus on high-growth opportunities, whether in growth or developed markets. To achieve this, the Group:

- offers services that address major societal needs, as this approach caters to a broad set of users, who are expected to use the Group's platforms regularly;
- focuses on sizable markets with growth potential, enabling the Group to benefit from two sources of growth: the growing overall market size and scaling up of the particular business model; and
- seeks to identify driven and motivated entrepreneurs in high-growth markets that it believes have high potential to scale locally and globally, and partners with entrepreneurs to build leading technology companies in high-growth markets.

Overall, the Group's strategic priorities for the next few years are to:

- grow core segments to scale;
- continue to drive profitability; and
- selectively invest in new opportunities while maintaining its focus on capital allocation and creating shareholder value.

The Group intends to achieve its strategic priorities in the following ways:

Focusing on Building Leading Consumer-Centric Platforms

The Group believes that platform businesses are the most valuable in the internet industry because they deliver attractive financial profiles, together with strong consumer engagement. The Group has invested in its consumer internet businesses, to scale up its platforms. The Group intends to continue such investments to consolidate its leading positions in certain markets and expand into others. The Group has numerous attractive consumer platforms in its global portfolio, from its Classifieds, Payments and Fintech, and Food Delivery businesses to its investments in Tencent and Mail.ru Group. These platforms address real consumer needs and also allow the Group to expand into new markets. Given the rapid technological advances in the global consumer internet market, the Group will continue developing its businesses to accommodate services

and products and to adapt further to changing consumer preferences, competitive environments, markets and technologies. The Group is applying machine learning and artificial intelligence to enhance platforms and the user experience.

The Group intends to continue to dedicate engineering capacity to build products that solve users' needs and that can be distributed throughout its platforms. The Group believes that these differentiators reinforce its leadership positions. The Group's consumer internet businesses have grown increasingly important as more consumers gain access to, and become more dependent on, the internet, especially through the use of mobile devices. The Group's mobile service offerings have expanded, in particular in its Classifieds business. In FY 2019, OLX's, Avito's and letgo's average monthly mobile app users were over 65, 20 and 19 million, respectively, and their marketplaces had over 40, 12 and 18 million monthly net new listings, respectively.

Continuing to Grow and Scale its Global Internet Business and Enhance Diversification

The Group intends to develop and expand its range of internet services in the markets in which it operates and, possibly, into new geographies. The Group believes that its focus on these markets will offer significant benefits because, as the economies and mobile and high-speed internet penetration in these markets grow, the use of internet platforms should also grow; and as a leading provider of internet services in these markets, the Group is well positioned to take advantage of the growth in ecommerce. The Group believes that it has been able to grow its variety of internet businesses into market leaders, mainly because of its approach of using ecommerce concepts that have been successfully implemented by major international corporates or by its home-grown start-ups and adapting for local communities all over the world.

The Group intends to continue to diversify the revenue sources within its existing internet businesses. The Group will seek to expand its existing consumer internet businesses and to achieve leadership positions through organic growth. In Classifieds, there are also opportunities to expand in verticals that complement its existing businesses, such as its expansion into automotive and real estate vertical businesses, which have the potential to scale across multiple markets. For example, in FY 2017, the Group launched several automotive and real estate vertical marketplace businesses in more mature markets. In FY 2018, the Group acquired Expat Wheels and Wecashanycar in the United Arab Emirates (UAE) and The Car Trader Proprietary Limited (**AutoTrader South Africa**) in South Africa. In FY 2019 the Naspers Group acquired an interest in Frontier Car Group, Inc. (**Frontier Car Group**), which operates in six markets under various brands, including BeliMobilGue in Indonesia, CarFirst in Pakistan and VendeTuAuto in Mexico; and Naspers announced that, subject to obtaining the relevant regulatory approvals, the Naspers Group will acquire an interest in We Buy Cars Proprietary Limited (**WeBuyCars**), which operates a used-car marketplace in South Africa.

In addition, the Group continues to invest in businesses that it believes have the potential to contribute towards its next wave of growth, including investments in consumer credit technologies, education technology platforms, healthcare technology platforms and vertical classifieds (automotive and real estate). The Group intends to continue expanding its online user base, as it believes that the large size of its communities is a competitive advantage. The Group believes that users generally prefer to trade on the largest platforms to ensure selection, convenience and maximum value and efficiency, as, the Group believes, is shown by the Group's classifieds platforms. As the Group's internet platforms become larger and achieve scale, it expects to generate increased revenue from its customers and will look to build additional revenue opportunities, such as advertising and financing options within its Etail as well as Payments and Fintech operations. In recognition of the importance of mobile technology, and the access that it provides its customers, particularly in growing markets, the Group has a mobile-first strategy under which it seeks to create products that work efficiently and primarily on mobile devices. The Group also plans to grow its online user base by increasing the relevance and attractiveness of its platforms through more innovative product offerings, sharing best practices across its global operations and continuing technological development.

Selectively Pursuing Investment, Acquisition and Disposal Opportunities While Maintaining a Local Approach

The Group believes that its leading market positions provide it with a strong base from which to expand its businesses. Its disciplined expansion strategy is focused on developing existing businesses and sourcing potential investment and acquisition targets in growing markets where it believes it will be able to attain and sustain leading market positions. The Group carefully evaluates, selects and pursues expansion opportunities, primarily through investments in its existing businesses, as well as bolt-on acquisitions to deepen and widen these businesses, and selectively through strategic acquisitions. The Group expects that mergers and acquisitions will provide an incremental return on investment, while leveraging existing

expertise, personnel and shared costs. The Group believes that this will accelerate the overall development of its businesses and allow the Group to focus on product improvement.

The Group believes that its success is partly due to its emphasis on a local approach, often involving local partners and management teams and incorporating linguistically and culturally tailored local content in its service offerings. The Group encourages local entrepreneurs to retain an interest in their businesses to ensure they are incentivised to further develop them. The Group believes that local partners and management teams are generally better suited to understand the media, trading and communication needs of individual users in their local markets. For this reason, one key criterion in the Group's assessment of potential acquisitions is the commitment, competence and strength of the local partners and management teams involved. The Group intends to continue to emphasise a local approach as it expands its businesses. As part of its local approach, the Group engages with local regulators, as appropriate. The Group's other investment criteria include: the target's capacity to become and remain a market leader; the target's financial discipline; a top entrepreneurial management team; and the Group's ability to obtain a strategic interest in the target company.

The Group continues to follow a very stringent assessment and selection process for all of its investments and acquisitions and closely monitors the operational and financial performance of these investments and acquisitions against targets after closing an investment or acquisition. As part of its strategy, the Group continues to evaluate the potential sale of select businesses and it strives to achieve value through any such disposals.

In addition, the Group has a successful track record of selling businesses profitably. See "*—History*".

History

The Group's expansion into internet platforms began in the 1990s. Since then, the Group has grown into a global consumer internet group and one of the largest technology investors in the world, by selectively acquiring businesses, building many of its businesses into market leaders in their industries and geographies with growth potential, and disposing of developed assets or assets that were no longer core to the Group's business and winding down unsuccessful investments. Selected significant corporate events relating to the Group are:

Selected Significant Corporate Events Relating to the Group

Investment	Description
Ecommerce	
<i>Classifieds</i>	
OLX Group	In 2010, the Group acquired a 67.8% interest in OLX Inc., a global online classifieds marketplace business with operations primarily in Brazil and India. The Group used the OLX Group marketplace to establish itself as a leading global online classifieds player. As at the date of this Prospectus, the Group's effective interest in the OLX Group is 100%.
Avito	In 2011, the Group acquired a 100% interest in Slando Limited, an online classifieds company in Russia and Ukraine. In March 2013, the Group contributed its Slando.ru and OLX.ru assets, as well as US\$50 million in cash, in exchange for a 22.2% effective interest in Avito. Avito.ru is the leading general classifieds platform in Russia. In December 2015, the Group increased its interest in Avito to 67.5% for US\$1.67 billion. In January 2019, the Group increased its interest in Avito to 100% for US\$1.16 billion. As at the date of this Prospectus, the Group's effective interest in Avito is 100%.
Dubizzle	In 2011, the Group acquired a 25% effective interest in Dubizzle Limited (Dubizzle), a leading online classifieds marketplace in the UAE, for US\$10 million. In 2013, the Group acquired an additional interest in Dubizzle, increasing its interest to 53.6%, for US\$59 million. In April 2018, the Group acquired the share capital held by non-controlling shareholders of Dubizzle for US\$190 million. Following the acquisition, the Group holds a 100% effective interest in Dubizzle. In January 2015, the Group entered into agreements with Schibsted ASA (Schibsted) and Telenor ASA (Telenor) to establish joint classifieds business activities in, among others,

Investment	Description
OLX Brazil – Adevinta joint venture	Brazil, through OLX Brazil. In 2017, Schibsted acquired Telenor’s interest in OLX Brazil, such that OLX Brazil was held 50:50 by the Group and Schibsted. Following Schibsted’s demerger on 9 April 2019 of Adevinta ASA (Adevinta), holding Schibsted’s marketplaces outside of the Nordics, Adevinta now holds the 50% interest in OLX Brazil not held by the Group.
letgo	<p>In May 2015, the Group invested an initial US\$10 million in Letgo Global B.V. (letgo), an entity operating a hyperlocal classifieds marketplace app under the letgo brand.</p> <p>In July 2016, the Group continued to invest in the letgo brand and strengthened its position in the U.S. by acquiring the U.S. operations of Wallapop S.L. (Wallapop) and merging it into the Group’s letgo business. As consideration for Wallapop’s contribution, it was issued a 45% interest in Letgo USA B.V. (letgo USA), with the Group holding the remaining 55% interest. In FY 2019, the Group announced that it had committed to invest an additional US\$500 million in letgo, of which US\$150 million was invested directly in letgo and US\$189 million was used in August 2018 to acquire Wallapop’s interest in letgo USA.</p> <p>As at the date of this Prospectus, the Group’s effective interest in both letgo and letgo USA is 79.9%.</p>
AutoTrader South Africa	In November 2017, the Group invested US\$41million to acquire a 100% effective interest in AutoTrader South Africa, an online automobile classifieds vertical in South Africa.
Frontier Car Group	<p>In May 2018, the Naspers Group invested US\$89 million for a 35.7% effective interest in Frontier Car Group, an online car marketplace with operations in growth markets.</p> <p>As at the date of this Prospectus, the Naspers Group’s effective interest in Frontier Car Group is 35.7%.</p>
Carousell	<p>In April 2019, the Group acquired a 12% effective interest in Carousell Pte. Ltd. (Carousell) in a US\$56 million cash and equity deal. Carousell is one of Asia’s largest and fastest-growing classifieds marketplaces. As part of the investment, the Group and Carousell merged their operations in the Philippines.</p> <p>As at the date of this Prospectus, the Group’s effective interest in Carousell is 12%.</p>

Payments and Fintech

PayU	PayU was founded in 2002. As the Group developed expertise and conviction, it consolidated a number of its payments businesses under PayU, as its core payments platform.
Citrus Pay	In September 2016, the Group acquired a 100% effective interest in PayU Payments Private Limited (Citrus Pay) for US\$130 million. Citrus Pay now forms part of PayU’s Indian business.
PaySense	<p>In May 2017 and July 2018, the Group invested US\$1 million and US\$12 million, respectively, in PaySense Services India Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. In July 2019, the Group invested an additional US\$5 million in PaySense.</p> <p>As at the date of this Prospectus, the Group’s effective interest in PaySense is 21.4%.</p>
Remitly	<p>In November 2017, the Group invested US\$100 million in Remitly, Inc. (Remitly), a global digital money-transfer service. In January 2019 and July 2019, the Group invested an additional US\$6.75 million and US\$10 million in Remitly. In July 2019, the Group invested a further US\$10 million in Remitly.</p> <p>As at the date of this Prospectus, the Group’s effective interest in Remitly is 21.8%.</p>

Investment	Description
Zooz	<p>In August 2018, the Group acquired Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel, for US\$60 million.</p> <p>As at the date of this Prospectus, the Group's effective interest in Zooz is 98.8%.</p>
Wibmo	<p>In July 2019, the Group acquired Wibmo Inc. (Wibmo), a digital payment security and mobile payment technology provider in India, for US\$66 million.</p> <p>As at the date of this Prospectus, the Group's effective interest in Wibmo is 100%.</p>
iyzico	<p>In June 2019, the Group announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will acquire iyzi Ödeme ve Elektronik Para Hizmetleri A.Ş. (iyzico), a Turkish digital payment services (the iyzico Transaction) for US\$131 million.</p> <p>As at the date of this Prospectus, some of these closing conditions have not been met. The iyzico Transaction is expected to close in the second half of 2019.</p>
Red Dot Payment	<p>In July 2019, the Group acquired a 73.3% effective interest in Red Dot Payment Pte. Ltd. (Red Dot Payment) for US\$45 million. Red Dot provides online payment solutions to merchants across Asia Pacific.</p> <p>As at the date of this Prospectus, the Group's effective interest in Red Dot Payment is 72.4%.</p>
Food Delivery	
iFood	<p>iFood is a leading food delivery platform in Latin America and the leading food delivery platform in Brazil. iFood operates in Mexico under the SinDelantal brand. iFood is owned by Movile Internet Movel S.A. (Movile), in which the Group first acquired an interest in June 2016, as the majority shareholder, and Just Eat plc (Just Eat). In November 2018, the Group and Innova Capital announced that they have committed to invest US\$400 million of new capital into Movile, for further investment in iFood. In April 2019, the Group invested US\$194 million of that funding commitment. That investment was the largest technology funding in Latin America at the time. Movile and Just Eat already invested US\$100 million in iFood during 2018.</p> <p>As at the date of this Prospectus, the Group's effective interest is 54.8% in iFood.com Agência de Restaurantes Online S.A. (iFood) and 27.3% in El Cocinero a Cuerda S.L. (SinDelantal).</p>
Delivery Hero	<p>In May 2017, the Group acquired a 10% fully diluted interest in Delivery Hero, which operates an online food-ordering and delivery marketplace business operating in 40 countries, for US\$426 million. On 30 June 2017, Delivery Hero's shares listed on the Frankfurt Stock Exchange, a regulated market operated by Deutsche Borse AG (the Frankfurt Stock Exchange), at which time the Group invested a further US\$47 million. In March 2018, the Group acquired an additional 13% interest in Delivery Hero for US\$778 million.</p> <p>As at the date of this Prospectus, the Group's effective interest in Delivery Hero is 22.3%. The Group is the largest shareholder in Delivery Hero.</p>
Swiggy	<p>In June 2017, the Group acquired a 14.8% interest in Swiggy, the operator of a food delivery platform in India, for cash consideration of US\$61 million. In July 2018, the Group committed to an investment of US\$80 million in Swiggy. In December 2018, the Group announced that it led an additional US\$1 billion investment in Swiggy, with a US\$716 million investment.</p> <p>As at the date of this Prospectus, the Group's effective interest in Swiggy is 38.8%.</p>

Investment	Description
<i>Etail</i>	
Allegro, Ceneo and Ricardo	<p>In 2008, the Naspers Group acquired London Stock Exchange-listed Tradus plc (Tradus), a company providing online consumer trading platforms and related ecommerce services through its Allegro and Ricardo branded websites, for a consideration of US\$1.9 billion. Tradus's shares were subsequently delisted from their listing on the UK Official List and from trading on the London Stock Exchange.</p> <p>In September 2015, the Group disposed of its interest in Ricardo for US\$248 million. In January 2017, the Group disposed of Allegro and Ceneo, the leading online marketplace and price comparison businesses in Poland, for a consideration of US\$3.21 billion.</p>
Flipkart	<p>In August 2012, the Group acquired a 10% interest in Flipkart, a leading ecommerce site in India, for US\$102 million in cash. In August 2018, the Group sold its interest in Flipkart to Walmart, Inc. (Walmart) for US\$2.2 billion. The Group's cumulative investment in Flipkart to the point of sale amounted to US\$616 million.</p>
Souq	<p>In October 2012, the Group acquired a 29.6% interest in Souq Group Limited (Souq), an online retailer, marketplace and payment platform business, with operations in the Arab Republic of Egypt, the Kingdom of Saudi Arabia, the State of Kuwait, and the UAE for US\$37 million. In May 2017, the Group disposed of its interests in Souq for a consideration of US\$173 million.</p>
eMAG	<p>During October 2012, the Group acquired a controlling interest in eMAG, a leading online retailer in Romania, for US\$82 million.</p> <p>As at the date of this Prospectus, the Group's effective interest in eMAG is 80.1%.</p>
<i>Travel</i>	
MakeMyTrip	<p>In 2007, the Group invested in Ibibo Group Holdings (Singapore) Pte. Ltd. (ibibo), an internet business then focusing on social media, search and advertising. Over time, ibibo developed an Indian travel business called Goibibo. In FY 2014, Goibibo acquired redBus, an Indian online bus ticketing platform, for US\$101 million. In January 2017, the Group merged its Indian travel business, held through Ibibo, with NASDAQ-listed MakeMyTrip, and invested an additional US\$92 million in exchange for a 43.1% effective interest in MakeMyTrip. This merger allowed the Group to focus on growing its share of the online travel market by building the largest online travel agent in India. In May 2017, the Naspers Group invested an additional US\$132 million in MakeMyTrip. In August and September 2017, following MakeMyTrip's issue of share options to its employees, the Group invested US\$23 million to maintain its relative shareholding.</p> <p>As at the date of this Prospectus, the Group's effective interest in MakeMyTrip is 42.6%. The Group is the largest shareholder in MakeMyTrip.</p>
Ctrip	<p>In April 2019, the Group announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will exchange its interest in MakeMyTrip for an interest in Ctrip. Ctrip is a leading travel service provider for accommodation reservation, transportation ticketing, packaged tours and corporate travel management. Since its founding in 1999, Ctrip has become one of the best-known travel brands in China.</p> <p>Concurrent with the share exchange, Ctrip will invest certain ordinary shares and class B shares of MakeMyTrip in a third-party investment entity. Post the Ctrip Transaction, the Group will own approximately 6% of Ctrip's outstanding ordinary shares, and Ctrip and the third-party investment entity will own ordinary shares and class B shares of MakeMyTrip, representing approximately 49.0% and 4.0% of MakeMyTrip's total voting power, respectively. On 20 August 2019, the Competition Commission of India approved the Ctrip Transaction.</p>

Investment	Description
	As at the date of this Prospectus, some of the closing conditions have not been met. The Ctrip Transaction is expected to close in August 2019.
<i>Other Ecommerce (including Ventures)</i>	
SimilarWeb	<p>In February 2014, the Group invested US\$18 million in SimilarWeb Limited (SimilarWeb), a leading international online competitive intelligence provider. In October 2015, the Group led a US\$25 million investment in SimilarWeb.</p> <p>As at the date of this Prospectus, the Group's effective interest in SimilarWeb is 24.2%.</p>
Brainly	<p>In May 2016, the Group led a US\$13 million investment in Brainly, Inc. (Brainly), a social learning network for students. In May and September 2017, the Group invested an additional US\$9.3 million in Brainly. In July 2019, the Group invested a further US\$25 million in Brainly.</p> <p>As at the date of this Prospectus, the Group's effective interest in Brainly is 42.7%.</p>
Movile	<p>In June 2016, the Group led a US\$40 million investment in Movile, a leading provider of mobile consumer services in Latin America. The Group has led further rounds of investment in Movile, including US\$53 million in June 2017, US\$82 million in November 2017 and US\$124 million in July 2018. In April 2019, the Group invested an additional US\$194 million in Movile.</p> <p>As at the date of this Prospectus, the Group's effective interest in Movile is 82.1%.</p>
Udemy	<p>In June and October 2016, the Group invested US\$70 million in Udemy, Inc (Udemy), an online learning platform aimed at professional adults. In April 2019, the Group invested and additional US\$9.5 million in Udemy.</p> <p>As at the date of this Prospectus, the Group's effective interest in Udemy is 12.7%.</p>
Codecademy	<p>In July 2016, the Group led a US\$30 million investment in Ryzac, Inc. (Codecademy), a leader in digital skills education.</p> <p>As at the date of this Prospectus, the Group's effective interest in Codecademy is 21.1%.</p>
Honor	<p>In May 2018, the Group invested US\$35 million for a 16.4% effective interest in Honor Technology, Inc. (Honor), a home-care company providing in-home senior care in the United States.</p> <p>As at the date of this Prospectus, the Group's effective interest in Honor is 16.5%.</p>
SoloLearn	<p>In September 2018, the Group led a US\$5.6 million investment in SoloLearn, Inc. (SoloLearn), an online peer-to-peer learning platform aimed at the coding community.</p> <p>As at the date of this Prospectus, the Group's effective interest in SoloLearn is 15.3%.</p>
BYJU'S	<p>In December 2018, the Group led a combination of primary and secondary US\$540 million investment in Think & Learn Private Limited (BYJU'S), the creator of the BYJU'S app, the most popular K-12 learning app in India.</p> <p>As at the date of this Prospectus, the Group's effective interest in BYJU'S is 11.6%.</p>
Meesho	<p>In August 2019, the Group invested US\$79.7 million in Meesho, a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on its platform.</p> <p>As at the date of this Prospectus, the Group's effective interest in Meesho is 12.1%.</p>

Investment	Description
Social and Internet Platforms	
Tencent	<p>In 2001, the Group acquired a 46.5% interest in Tencent, then the operator of the QQ instant-messaging platform in China, for US\$34 million. Its business developed into the leading instant-messaging business in China. Tencent's shares were listed on the Hong Kong Stock Exchange in June 2004, and, following an initial public offer, in Hong Kong, and private placement, internationally, Naspers's interest was diluted. In March 2018, the Group disposed of approximately 6% of its interest in Tencent (2% of Tencent's share capital) by way of an accelerated offering by private placement for a cash consideration of US\$9.76 billion. The Group released a US\$9.1 billion gain on such disposal. The disposal reduced the Group's effective interest in Tencent from 33.37% to 31.1%. Following the Group's sale of a portion of its interest in Tencent, the Group announced on 22 March 2018 that it will not sell further Tencent shares for at least three years from such date.</p> <p>As at the date of this Prospectus, the Group's effective interest in Tencent is 30.99%. The Group is the largest shareholder in Tencent.⁷</p>
Mail.ru Group	<p>In December 2006, the Group acquired a 30% interest in Port.ru Inc., a leading Russian internet company, which operated Mail.ru, a Russian website servicing the global Russian-speaking community, for US\$166 million. The Group subsequently acquired further interests in Port.ru Inc. of 2.6% in October 2007 and 11.9% in December 2008. In November 2009, the Group exchanged its 42.9% interest in Port.ru Inc., together with a cash contribution of US\$104 million, for a 39% interest in Mail.ru Internet NV, which, subsequent to a share swap, held the Mail.ru business and Astrum Online Entertainment business, the leading Russian online games developer. In 2010, the Group exchanged its interest in Mail.ru Internet NV for a 28.7% interest in Digital Sky Technologies Limited, a prominent internet company in Russian-speaking markets. In October 2010, Digital Sky Technologies Limited was renamed Mail.ru Group Limited. In November 2010, Mail.ru Group's shares (in the form of global depository receipts) were admitted to listing on the UK Official List and to trading on the London Stock Exchange.</p> <p>As at the date of this Prospectus, the Group's effective interest in Mail.ru Group is 28.0%. The Group is the largest shareholder in Mail.ru Group.</p>

See "Operating and Financial Review—Significant acquisitions, disposals and investments" for further information on the Group's significant acquisitions and disposals during the three months ended 30 June 2019, FY 2019, FY 2018 and FY 2017.

Segments

The Group believes that the core of its businesses and the businesses of its investments revolves around platforms that connect people and help them improve their daily lives. The Group invests in and operates its businesses through a variety of platforms in numerous growth markets, which have increased its revenue diversification. Its businesses and investments are at varying stages of maturity, ranging from start-ups to mature businesses.

The Group's consumer internet services span the core focus segments of Classifieds, Payments and Fintech as well as Food Delivery, plus other online businesses including Etail and Travel. Investing in new sectors is an inherent part of the Group's strategy and the Group intends to continue investing in businesses that it believes have the potential to contribute towards its next wave of growth, including investments in consumer credit technologies, education technology platforms, healthcare technology platforms and vertical classifieds (automotive and real estate). These investments are primarily within the Group's other Ecommerce segment, through its Ventures business.

⁷ According to the public disclosures made by Tencent on the interests of substantial shareholders, other than the Group and Advance Data Services Limited (holding approximately 8.61%), no person had interests or short positions in the shares or underlying shares interests or short positions in the shares or underlying shares of 5% or more of Tencent's share capital.

The following diagram provides an overview of the segments within the Group's Ecommerce segment, and selected businesses and investments within each segment.

Ecommerce (Global Consumer Internet Portfolio)					
Classifieds	Payments and Fintech	Food Delivery	Etail	Travel	Ventures
OLX 100%	PayU 98.8%	ifood 54.8%	EMAG 80.1%	make my trip 42.6%	Udemy 12.7%
Avito 100%	Remitly 21.8%	Delivery Hero 22.3%			BRAINLY 42.7%
dubizzle 100%		SWIGGY 38.8%			SimilarWeb 24.2%
letgo 79.9%					codecademy 21.1%
					SOLOLEARN 15.3%
					honor 16.5%
					BYJU'S 11.6%
					mobile 82.1%
					meesho 12.1%

- (i) This table shows the Group's effective interest in each of the companies as at the date of this Prospectus.
- (ii) In April 2019, the Group announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will exchange its interest in MakeMyTrip for an interest in Ctrip.com International, Ltd. Concurrent with the share exchange, Ctrip will invest certain ordinary shares and class B shares of MakeMyTrip in a third-party investment entity. Post the Ctrip Transaction, the Group will own approximately 6% of Ctrip's outstanding ordinary shares, and Ctrip and the third-party investment entity will own ordinary shares and class B shares of MakeMyTrip, representing approximately 49.0% and 4.0% of MakeMyTrip's total voting power, respectively. On 20 August 2019, the Competition Commission of India approved the Ctrip Transaction. As at the date of this Prospectus, some of the closing conditions have not been met. The Ctrip Transaction is expected to close in August 2019.

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. Most of its businesses and those of its investments are market leaders in their sectors. Its listed investments in social and internet platforms (Tencent and Mail.ru Group) cover a wide variety of internet services that are built around core communication and social networking platforms operating mainly in China and Russia.

Customers are at the core of the Group's businesses. The large and active user base of the Group's businesses and investments forms an important business driver, as it provides sizeable platforms for users to interact with one another via the various services that it provides. This in turn enables the Group's businesses and investments to retain existing users and attract new customers. The Group's businesses and investments generate revenues through: online sales of goods, listing fees, payment transaction fees and commissions, mobile and other content revenue (from online mobile app-based services and content, ticketing and logistics services), food delivery charges and from other sources (such as travel-package revenue and commissions thereon and advertising revenue).

For segmental reporting purposes, the Group reports investments in associated companies and joint ventures on a proportionately consolidated basis (economic-interest basis). See "Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs—Economic interest".

Ecommerce

The Group believes that the world is undergoing a fundamental shift, whereby traditional industries, including retail and C2C transactions, payments, food, education, healthcare and various other categories, are being disrupted by the internet and the opportunities it creates. This shift is driven by fast-growing mobile and high-speed internet penetration levels, especially in emerging markets, increasing last-mile delivery capabilities and familiarity with new business models and the ability to capture and process larger quantities of data. Consequently, the Group has built and expanded its consumer internet businesses through a combination of organic growth and acquisitions. Overall, the Group estimates that approximately one-fifth of the world's population use products and services of businesses that the Group has built, acquired or invested

in. The operations of the Group's consumer internet businesses and investments provide transactional functionality to consumers and merchants to trade online through Classifieds, Payments and Fintech, Food Delivery, Etail, Travel and other platforms.

Classifieds

The Group's classifieds segment comprises leading local marketplaces that facilitate transactions between buyers and sellers by acting as a trusted and frictionless intermediary, which it believes offers value to all parties. The Group's largest classifieds markets are in Russia, Poland, Brazil, India and the United States which represented more than 60% of the revenues generated by the Classifieds business in FY 2019. The Group is the market leader in a number of markets and is competing for market leadership in others, such as the United States.

There are two primary online classified listings business models: (i) the horizontal (also called generalist) model where the marketplace includes listings across a wide range of categories of goods and services; and (ii) the vertical-focused model, which focuses on a single category, such as automotive, real estate, jobs and services. Vertical categories can either be an extended feature within a horizontal marketplace or a separate specialist marketplace focusing on the respective category. Online classified marketplaces have different categories of users: (i) consumers searching for products and services listed on the marketplaces; (ii) professional listers who post their inventory on the marketplaces, such as car dealers, real estate agents and recruiters; (iii) private listers who post their inventory on the marketplaces for sale; and (iv) third parties, such as advertisers, who use the online classified marketplaces to promote their products or services or otherwise generate business from leads.

The Group primarily operates horizontal marketplaces under its main brand OLX as well as under the Avito brand in Russia and the letgo brand in the United States and Turkey. The Group's marketplaces had more than 350 million monthly active users in 38 countries⁸ and, on average, had 72 million net new listings monthly during FY 2019. It has a leadership position in 28 of those countries.

- OLX is one of the world's leading and fastest-growing online marketplaces, with operations in Eastern Europe, Portugal, Southeast Asia, Latin America, Africa and the Middle East. The Group intends to use access to its global footprint in high-growth markets, to expand into new markets, vertical categories and business models. As a market leader, the Group has been able to accelerate revenue growth while reducing marketing costs.

Poland is one of the most mature markets on the OLX marketplace and has delivered consistent growth and profitability, demonstrating the attractiveness of the classifieds business model. In India, one of its key growth markets, the Group believes it has established itself as the leading horizontal classifieds player.

The Group has also entered into joint ventures in certain markets with other industry players, when it believes this makes strategic and financial sense. The Group holds a 50% effective interest in OLX Brazil (a 50:50 joint venture with Adevinta), the leading online classifieds marketplace in Brazil, and 12% effective interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces, which it acquired as part of a transaction merging its operations in the Philippines with those of Carousell.

- Avito is the leading online marketplace in Russia. The marketplace spans five key areas: automotive, real estate, jobs, services and general goods. Avito is the third-largest classifieds marketplace in the world behind Craigslist (United States) and 58.com (China) as measured by annual page views, with more than 79 million monthly unique users during FY 2019. As at 31 March 2019, approximately 25% of the Russian population uses Avito every month.

Real estate (through its Domofond platform), jobs/services and vehicles are the largest vertical categories at Avito, on a revenue basis. The Group believes that customer growth and retention are the key enablers to Avito's continued growth. Avito has launched a number of complementary product propositions to enable users to be more successful. Examples of this product innovation include Autoteka, Avito's used-car database outlining the history of car ownership, accidents/repairs and use; and delivery service for goods, allowing customers to trade safely over distance. Avito has invested in product and technology to improve the core user experience (e.g., quality of search, personalised feeds, user ratings and reviews, easier listing process and lifecycle management), which has led to continuous improvements in seller retention.

⁸ Excluding seven countries with less than 1,000 daily unique listers and including countries in which Frontier Car Group, an associate of the Group, has operations.

- letgo is a hyperlocal mobile classifieds marketplace app in the United States and Turkey. Hyperlocal marketplaces focus on a small community or geographical area, to provide a personalised, convenient offering to buyers and sellers. In June 2016, letgo consolidated its United States operations with Wallapop, strengthening its competitive position. In August 2018, letgo acquired Wallapop's interest in letgo USA.
- letgo has built a strong brand presence in the United States and maintains high brand awareness when compared with local competitors. letgo also has a strong presence in Turkey, with brand awareness on par with its competitor, sahibinden. In FY 2019, letgo started to monetise its platform. letgo is building out commercial teams to scale its business in key vertical categories, such as automotive. letgo's platform reflects a strong investment in product and technology to drive both the volume and the quality of listings of its platform. For example, letgo launched an innovative machine-learning-driven feature to its listing management page, assessing the "strength" of a listing based on various inputs, such as description, quality of photos and price versus comparable items.

The Group also operates the Dubizzle brand, a leading online classifieds marketplace in the UAE, with operations in the Middle East and North Africa.

The Group's vision is to build an ecosystem of classifieds platforms that address user needs with propositions across different categories, in particular, goods, automotive, real estate, jobs and services.

The Group believes that its convenient transaction model improves the convenience of transactions through, among other things, enhancing price transparency and providing a secure, trusted platform, thereby enhancing users' experience and driving transaction volume. In the convenient transaction model, the Group takes a more proactive role in the end-to-end customer experience than what it takes in traditional horizontal marketplaces. By leveraging the Group's leading existing horizontal market positions, which attract a large degree of traffic, the Group aims to expand its vertical offerings such as automotive, real estate, jobs and services as well as provide value-added services, and thereby improve platform monetisation, and generate additional transaction data. The Group believes that these businesses have the potential to scale globally.

The Group's vertical-focused marketplaces include Aasaanjobs, AutoTrader South Africa, Domofond, Expat Wheels, Properati, Selency, Tradus and Wecashanycar. Frontier Car Group, in which the Naspers Group has an interest, operates used-car marketplaces in six markets under various brands, including BeliMobilGue in Indonesia, CarFirst in Pakistan and VendeTuAuto in Mexico.

In particular, as part of its convenient transaction model, the Group has expanded into dedicated automotive and real estate vertical businesses, which cater to more professional sellers.

- *Automotive:* in FY 2017 the Group launched several automotive vertical businesses in its more mature markets and, in FY 2018, the Group acquired the Expat Wheels and Wecashanycar used-car marketplaces in the UAE and AutoTrader South Africa in South Africa. Expat Wheels and Wecashanycar complement the Group's local Dubizzle marketplace in offering three car selling options designed to bring more convenience to buyers and increase revenue for sellers. In FY 2019, OLX Brazil launched Autoshift, an automotive vertical business specialising in professional advertisers. In May 2018, the Naspers Group acquired a 35.7% effective interest in Frontier Car Group. In September 2018, the Group announced that, subject to obtaining the relevant regulatory approvals, it will invest ZAR1.4 billion in WeBuyCars, which operates a used-car marketplace in South Africa. The Group's automotive platforms offset any inventory risk that they may bear in holding automotive stock before on-selling it through the use of sales and other data and local market knowledge. In certain markets, these platforms also provide buyers with inspection reports to provide them with an assessment of the state of the vehicle.
- *Real estate:* in FY 2015, Avito established Domofond, a leading real estate portal in Russia. In FY 2017, the Group also launched several real estate vertical businesses in its more mature markets.

The Group has also expanded into a dedicated jobs vertical business, through its acquisition of Aasaanjobs in 2019, a recruitment marketplace in India. Furthermore, the Group also operates additional specialised vertical businesses, including Selency, a marketplace for second-hand furniture and home décor products in France and the Tradus marketplace, a global marketplace for heavy machinery. The Group continues to explore new products and services within its classifieds business. Within the OLX Group, OLX Ventures serves as an investment and incubation unit focusing on vertical marketplaces; ancillary models that complement the OLX Group portfolio and exploring emerging technologies and trends.

The Group believes that product and technology are essential in classifieds, due to the fact that users have high product expectations and relatively low switching barriers. Therefore, the Group intends to continue to be a product-first company to maintain and strengthen its brand positions. The Group is applying machine learning and artificial intelligence to enhance the user experience, including features like image recognition and multi-language smart chat. To enable speed to market for new product functionality and scale of operations and share costs, expertise and personnel, the Group is increasingly using common product platforms across markets. Given the local nature of the classifieds service, the Group also creates in-country teams to drive brand awareness and customer interaction. The Group continues to invest in mobile apps for trading consumer goods, such as OLX and letgo, and automotive and real estate vertical marketplaces to serve markets where there is a high level of maturity. By consolidating expertise into regional hubs, the Group has sought to increase efficiency and scalability while realigning investment levels to match opportunities in some local markets. Across its markets, the Group is investing in and experimenting with innovative trading formats to use local market knowledge and solve customer problems.

The Group focuses on building liquidity on its marketplaces for users through increased penetration and engagement, which in turn drives network effects, and increases the appeal of the Group's platforms for users. The Group's business model requires significant upfront investment to build market leadership and, as the market matures, it is able to increasingly monetise its market position in the form of user fees for listings, fees for value-added services or advertising, and to deliver returns on capital invested. Monetisation in classifieds can be driven by, among other things, charging customers for listings and premium listings, displaying advertisements, charging commissions on payments, fees on professional sellers selling on a marketplace, shipping fees, offering financing for transactions, and an increased focus on verticals.

The online classifieds market has traditionally consisted of global companies with online classified marketplaces in multiple markets and local/regional companies operating marketplaces in one country or region. The key categories of competitors in the online classifieds market are other horizontal marketplaces (such as Youla (in Russia), Craigslist and OfferUp (in the United States) and sahibinden (in Turkey)); global internet companies and aggregators that have entered the online classifieds market in recent years (such as Facebook having launched Facebook Marketplace; Google with Google for Jobs, LinkedIn and Amazon); vertical marketplaces and horizontal search engines (such as Google).

In FY 2019, Classifieds generated US\$857 million in revenues and US\$6 million in trading loss, with revenue growth in local currency excluding acquisitions and disposals totalling 37%. In FY 2019, it is estimated that Classifieds' revenue growth in local currency excluding acquisitions and disposals was twice the industry average.⁹ In FY 2019, for its classifieds operations as a whole, average monthly paying listers increased by 33% year-on-year to 3.3 million as at March 2019. The Group also observed an increase in activity through its mobile apps, where monthly active users increased by 18% year-on-year to 106 million users as at March 2019. In FY 2019, OLX's, Avito's and letgo's average monthly mobile app users were over 65, 20 and 19 million, respectively, and their marketplaces had over 40, 12 and 18 million monthly net new listings, respectively.

⁹ Average of Auto Trader Group plc, Adevinta, Axel Springer SE (Digital), carsales.com Limited (**carsales.com**), eBay (classifieds group), REA Group Limited (**REA Group**), Rightmove plc, Scout24 AG (**Scout24**) and Zillow, Inc.

Selected information for Avito, letgo, OLX Poland and OLX Brazil is set out below:

	Avito	letgo	OLX Poland	OLX Brazil
Growth in number of paying listers (FY 2018 – FY 2019).....	21%	55%	47%	40%
Growth in number monthly active users (FY 2018 – FY 2019).....	23%	13%	13%	11%

	FY 2018 (RUB billion)	FY 2019	Growth	FY 2018 – FY 2019 Growth Rate	FY 2018 – FY 2019 Growth Rate	FY 2018 (BRL million)	FY 2019	Growth
Revenue ⁽ⁱ⁾	16	21	28%	375%	40%	103	149	44%
Trading profit/(loss) ⁽ⁱ⁾	9	12	35%	36%	21% ⁽³⁾		23	BRL26 million

(i) The financial information for FY 2018 and FY 2019 for Avito is publicly disclosed by Vostok New Ventures Limited, a former shareholder in Avito, and for OLX Brazil by Adevinata, the other shareholder in OLX Brazil. The financial information for letgo and OLX Poland is not otherwise publicly disclosed.

Selected Subsidiary	Effective Interest (%) ⁽ⁱ⁾
Aasaanjobs Private Limited.....	68.6
Avito AB.....	100
Brocante Lab SAS (Selency)	54.8
Carousell Pte. Ltd.....	12
Dubizzle Limited (BVI)	100
Frontier Car Group, Inc.....	35.7
Letgo Global B.V.....	79.9
Letgo USA B.V.....	79.9
OLX B.V.....	100
OLX Portugal S.A.....	100
Silver Brazil JVCo B.V. (OLX Brazil).....	50
Silver Indonesia JVCo B.V. (OLX Indonesia).....	65.8
The Car Trader Proprietary Limited (AutoTrader South Africa).....	100

(i) As at the date of this Prospectus.

Payments and Fintech

The Group's digital payments platform, PayU, seeks to create an efficient, fast, secure and simple payment process for merchants and buyers and facilitate frictionless transactions and trade globally. The Group's Payments and Fintech business comprises:

- PayU, its core payments platform, which is a leading payment gateway for merchants in high-growth markets and large cross-border players;
- a credit business focusing on digital point-of-sale lending to consumers through its own products (e.g., LazyPay in India and PayU Te Fia in Colombia) and investments in associated credit companies such as Creditas (a Brazilian digital credit platform), PaySense (an Indian digital credit platform) and ZestMoney (an Indian digital credit platform); and
- investments in the fintech ecosystem, with positions in adjacent sectors, such as remittances, with Remitly (a global digital money-transfer service), or cryptocurrencies, with Luno (a bitcoin wallet and exchange).

PayU operates payment platforms with over 300 payment options, across 18 markets around the world, with an aggregate population of more than 2.3 billion. It has a leadership position in seven of those markets. PayU primarily operates in India, Latin America and Central and Eastern Europe. It also has operations in the Middle East and Africa. PayU's business is intended to enable merchants and consumers to safely transact online. As at 31 March 2019, PayU had more than 1,800 payment specialists based in these local

markets supporting consumers making online payments and more than 300,000 PayU merchants. As at 31 March 2019, in India, PayU had more than 300,000 PayU merchants and 100 million unique consumers. PayU's products include a Payment Card Industry Data Security Standard certified payment gateway, anti-fraud systems and an online Visa/MasterCard acquirer.

PayU has built an efficient single application programming interface that enables local, regional and global merchants to accept and process payments across all major domestic and global payment types in the markets that it operates in, including credit cards, bank transfers and payments. The Group believes that PayU's merchant base, transaction volume, scale, market share and its ability to process payments in, and across, its key growth markets creates an attractive value proposition for merchants. PayU's single platform also enforces PayU's data capabilities, which includes services that utilise sophisticated algorithms across machine learning, data mining and artificial intelligence to improve the functionality and configuration of its core services and to increase authorisation rates for merchants, while reducing the risk of fraudulent transactions.

PayU offers two broad services, as a payment service provider (**PSP**) and a technology service provider (**TSP**).

- PSP services are merchant arrangements where PayU provides payments processing technology platforms and also facilitates reconciliation and settlements for merchant partners. PayU serves both local and international merchants in the markets in which it operates, catering to both large enterprise merchants and small- and medium-sized businesses.
- TSP services are merchant arrangements where PayU only provides the processing technology and does not carry out any settlements. For TSP services, take rates or commissions on processed volumes, given PayU's more limited role, are lower than a traditional PSP business. TSP services are primarily provided to large merchants, to which PayU supplies the technology necessary to provide the merchant with a direct connection to banks and payment networks. In FY 2018, PayU expanded into online consumer credit products in key markets including Poland, India and Colombia.

PayU's PSP and TSP services are available to consumers on the Group's platforms and on platforms operated by third parties. Payment solutions enable and encourage participation in ecommerce, especially for customers with limited alternatives. PayU differentiates its payment solutions by offering a broad range of local payment options for its customers and by providing merchants with good conversion rates, converting consumers' interest in a product or service into a sale by simplifying the checkout process. PayU's revenue is primarily derived from volume-based transaction fees.

PayU intends to continue to strengthen its position organically by seeking operational efficiencies through automation and continuing to invest in platform consolidation and security globally. At the same time, PayU has moved to consolidate its position in key markets with acquisitions, such as in India where it acquired Citrus Pay in FY 2017 and, more recently, Wibmo in July 2019, or with the buy-out of Zooz, a payments technology company based in Tel Aviv, Israel in FY 2019. In June 2019, the Group announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will acquire izico, a Turkish digital payment services. In July 2019, the Group acquired a 73.3% effective interest in Red Dot Payment, a Southeast Asia focused online payment solutions provider. The Group believes that these acquisitions support PayU's expansion into high-growth markets and supports its ability to pursue opportunities in cross-border payments.

To strengthen its core payments platform, PayU has made a number of acquisitions supporting its ability to pursue opportunities in credit and remittance businesses. In pursuit of its strategy, in FY 2018, PayU launched credit products in India and Latin America, which enable customers doing online shopping to obtain quick and easy access to micro loans at checkout. PayU also invested US\$100 million in Remitly, a technology-driven remittance business, which focuses on the flow of remittances from developed countries to low- and middle- income countries. PayU is partnering with these companies to deliver credit and remittance solutions in its key growth markets. In FY 2019, PayU acquired Zooz, which operates a payments technology platform. The Group believes that this acquisition supports PayU's expansion into high-growth markets and supports its ability to pursue opportunities in cross-border payments.

On 19 June 2019, PayU announced that it had become a founding member of the Libra Association, an independent not-for-profit organisation. The Libra Association's mission is to enable a simple global currency and financial infrastructure that empowers billions of people.

Due to the complexities associated with international money transfers, the Group predominantly faces local competitors in the markets in which it operates. PayU's direct competitors are domestic PSPs that focus on

providing online payments to merchants in a single country. In general, the payment markets in which the Group operates are fragmented. Adyen N.V. (**Adyen**) is the most notable international competitor in the merchant business, with other notable international competitors being WorldPay, Inc. (**WorldPay**). In India, the Group's merchant business mainly faces competition from BillDesk and CCAvenue. Other competitors include Ingenico, Razorpay and several other small PSPs. The Group's Indian consumer business mainly faces competition from FreeCharge, MobiKwik and Paytm. In Poland, the Group's main competitors are Dotpay, eCard and Przelewy24 (P24). In Russia, the Group's main competitor is Yandex Money, which is a PSP in addition to their digital wallet offering. In the Czech Republic and Hungary, the Group's main competitors are banks. In Romania, the Group's main competitor is Romcard. In Latin America, the Group's main competitors are international competitors such as Adyen, Ingenico, PayPal Holdings, Inc. (**PayPal**) and WorldPay, as well as regional competitors like Mercado Pago and PagSeguro.

In FY 2019, Payments and Fintech generated US\$360 million in revenues and US\$43 million in trading loss, with revenue growth totalling 28% in local currency, excluding acquisitions and disposals. PayU's PSP core business was profitable, generating US\$12 million of profit in FY 2019, an increase of 33% (or a 67% increase in local currency, adjusted for acquisitions and disposals) compared to FY 2018, with a profit margin of 4% (calculated as a trading loss on an economic-interest basis dividend by revenue on an economic-interest basis). PayU's PSP business was also profitable in India and Poland. The Group aims to achieve profitability in its global PSP and TSP business in the aggregate within the next few years. In FY 2019, Payments and Fintech generated US\$127 million in revenues in India (excluding Wibmo and Remitly), and PayU's total payment value exceeded US\$30.1 billion, with more than 900 million transactions being processed during the fiscal year. In India, PayU's total payment value exceeded US\$15 billion in FY 2019, with more than 500 million transactions being processed during the fiscal year, representing a 50% CAGR from FY 2017 to FY 2019.

Selected Subsidiary or Associate	Effective Interest (%) ⁽ⁱ⁾
PaySense Private Limited.....	21.4
PayU Global B.V.....	98.8
PayU Payments Private Limited	98.8
Primrose Hill Ventures Private Limited (ZestMoney).....	20.8
Red Dot Payment Pte. Ltd	72.4
Remitly, Inc	21.8
Wibmo Inc	100
Zooz Mobile Limited.....	98.8

(i) As at the date of this Prospectus.

Food Delivery

Since FY 2016, the Group has invested over US\$2 billion to build a portfolio of leading food delivery businesses and investments operating in more than 40 markets globally, including iFood, Delivery Hero and Swiggy. Its businesses and investments are the market leaders in 35 of those markets. The Group believes that food is a high-potential sector that comprises a large area of consumer spend. The Group believes that food delivery presents a large, underpenetrated and growing market with strategic opportunities for the Group. Food delivery has its origins in an asset-light, two-sided marketplace model that has demonstrated compelling economics and growing consumer engagement. Consumer trends, most notably increased mobile penetration, and innovations in mapping, logistics and other technologies, have driven down the costs of food delivery, improved its consumer experience and thereby accelerated consumer adoption.

These businesses aim to use innovative and scalable technology, predominately on mobile phones, to transform food ordering and delivery capabilities by automating and personalising the process and making it transparent and efficient for restaurants, customers and couriers. Based on continuous data collection regarding ordering and logistics of the delivery, the businesses constantly improve their technology and processes in order to provide increasingly better service for users.

The Group believes that food delivery is an attractive value proposition for restaurants and customers. For restaurants, it offers access to a larger customer base, positioning them to benefit from incremental orders. For customers, it provides a local, large selection of restaurants and food that is quickly and conveniently delivered. The Group is investing to accelerate the scale of its food delivery platforms, helping them to expand geographically into smaller cities, as well as investing to further build their technology platforms to

utilise data science and machine learning to continuously improve the service they provide to customers, restaurants and couriers.

iFood and Delivery Hero operate predominantly third-party marketplace models, connecting users and restaurants, but are building out their own first-party delivery platforms. Swiggy is predominately a first-party business, providing its own couriers for delivery.

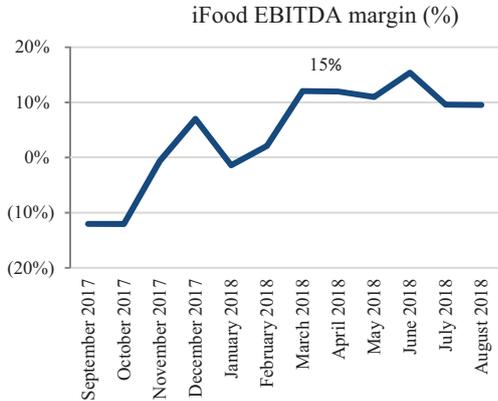
Swiggy has identified the need to provide consumers with food delivery at more competitive price points and expand food delivery to areas with low restaurant penetration. Swiggy is rolling out new private brands (which offer customers restaurant quality food under its own brand names). Swiggy is also increasing its investment in Swiggy Access. Swiggy Access provides restaurants with access to “delivery-only kitchens”, which enables them to expand to more locations through a delivery-only model and, at the same time, gives consumers greater access to a wider variety of restaurants. A “delivery-only kitchen” is a site where restaurant food is cooked for delivery only and no sit-down restaurant is operated.

iFood, Delivery Hero and Swiggy are using artificial intelligence to provide consumers with a personalised, local offering and building next-generation artificial intelligence driven food delivery platforms. They also provide restaurants with marketing and visibility tools, help them optimise their value chain, share data-driven insights with them and provide them with order and delivery technology.

The Group’s food delivery businesses and investments comprise:

- iFood*: iFood is a leading food delivery platform in Latin America and the leading food delivery platform in Brazil. iFood is served by over 66,000 restaurant partners and 60,000 active drivers in more than 500 cities in Brazil. iFood is owned by Mivile (66.67%) and Just Eat (33.33%), which operates a leading food delivery platform globally. iFood also operates in Mexico under the SinDelantal brand. SinDelantal is owned by, among others, Mivile ((25.3%) through its holding in iFood) and Just Eat (67%). iFood processed 17.4 million orders in March 2019 in Brazil (of which 3.3 million orders were delivered through its first-party delivery platform), representing growth of almost 130% compared to 7.6 million orders in the same month the previous year. The number of unique customers reached 12.6 million in March 2019.

The Group believes that iFood has proven its potential to be profitable, iFood was previously profitable before it decided to invest in its business to expand its market share and invest in its first-party delivery platforms, as illustrated below:



In November 2018, Mivile announced that it will invest an additional US\$400 million in iFood. That investment was the largest private technology funding in Latin America at the time. Mivile and Just Eat already invested US\$100 million in iFood during 2018. The Group believes that the increased investment in iFood will accelerate its growth, enable product development and innovation, as well as geographical expansion. iFood also plans to increase its leadership position in Brazil and expand in Mexico, which the Group believes are underpenetrated but high-growth markets.

In Brazil, iFood’s main competitors, in terms of number of orders processed, are Uber Eats and Rappi.

In FY 2019, iFood contributed US\$1,617 million in GMV, representing annualised GMV growth of 84% and annualised order volumes increased by 107%.

- *Delivery Hero*: Delivery Hero is a leading food delivery platform globally, operating in more than 40 countries in Europe, the Middle East and North Africa, Asia and the Americas, with an aggregate population of more than 1.2 billion people. It has a leadership position in 33 of those countries. Delivery Hero operates around 30 fully localised brands and, in some countries, Delivery Hero operates on a multi-brand strategy (or marketplace) and premium-brand strategy. These brand strategies allow it to target different customers. Delivery Hero's platforms are served by over 290,000 restaurant partners. In its fiscal year ended 31 December 2018, Delivery Hero received 369 million orders (excluding Germany, which was sold to Takeaway.com (as defined below)).

Delivery Hero's localised brands are managed by local management teams. These local teams combine their knowledge of the local market with centralised know-how, which is implemented on a global scale. Delivery Hero's central management team utilises data collected from its regional operations to develop its global group strategy, to plan global marketing, optimise group marketing expenditures, coordinate its network of local brands, identify best practices as well as strong and weak performance and provide guidance and control. Delivery Hero provides support to its local management teams in implementing its global strategy on a local level as well as introducing new processes and products in their markets.

In the majority of its markets, Delivery Hero's experiences competitive pressure from one or two major players in the food delivery industry, for example Deliveroo and Uber Eats.

In its fiscal year ended 31 December 2018, Delivery Hero (excluding Germany, which was sold to Takeaway.com N.V. and one of its affiliates (together, **Takeaway.com**)) contributed US\$4,454 million in GMV, representing annualised GMV growth of 42% and annualised order volumes increased by 49%. In Q1 2019, Delivery Hero's order volumes increased by 55% from Q1 2018.

On 1 April 2019, Delivery Hero sold its German food delivery businesses Lieferheld, Pizza.de and foodora to Takeaway.com in exchange for cash and an equity stake in Takeaway.com N.V.¹⁰ As at the date of this Prospectus, Delivery Hero had a 15.53% interest in Takeaway.com N.V. On 27 July 2019, Just Eat and Takeaway.com announced a possible all-share combination of Just Eat and Takeaway.com to create Just Eat Takeaway.com N.V. (the **Combined Just Eat/Takeaway.com Group**). On 29 July 2019, Just Eat and Takeaway.com announced that they have reached an agreement in principle on the key terms of the possible combination.¹¹

Further information about Delivery Hero's business, management, results of operations, financial condition and risks is published on its website, <https://ir.deliveryhero.com/>. See "*General Information—No Incorporation of Website*".

- *Swiggy*: Swiggy is the leading food delivery platform in India. It uses innovative and scalable technology to operate its hyperlocal food delivery platform. Swiggy has expanded rapidly since being founded in 2014 to serving more than 130 cities in India. It is India's fastest-growing food platform. Swiggy's platform is served by over 85,000 restaurant partners and 170,000 monthly active delivery partners.

The Group believes that Swiggy has proven its potential to be profitable, but that its profitability has been restricted due to a lack of scale. For example, in September 2017, Swiggy, overall, had a positive contribution margin, with four out of seven of cities having a positive contribution margin, which was an increase from two cities in April 2017. In December 2018, the Group announced that it led a US\$1 billion investment round in Swiggy, with a US\$637 million investment. Swiggy will use the funds to scale, by bringing more quality food brands closer to consumers, including under its own private brands, The Bowl Company and Homely, and addressing gaps in supply through delivery-only "delivery-only kitchens" under its Swiggy Access initiative for restaurant partners. Additionally, Swiggy will use the capital to hire employees, with a particular focus on machine learning and engineering roles across mid and senior levels.

¹⁰ Under the transaction, Delivery Hero sold the outstanding shares in Delivery Hero Germany GmbH and Foodora GmbH to Takeaway.com for a total consideration of c. €930 million consisting of cash and shares in Takeaway.com N.V. The consideration comprised €508 million in cash and 9.5 million shares in Takeaway.com N.V. worth approximately €422 million (based on €44.40 per share equivalent to the last 10 day volume weighted average price as of 19 December 2018), representing approximately 18% of the total issued and outstanding share capital of Takeaway.com N.V. after the issuance of the equity component to Delivery Hero, but prior to any issuance of shares required to (re)finance all or part of the aforementioned cash component of the consideration.

¹¹ Immediately following completion of the possible combination, Just Eat shareholders would own approximately 52.2% and Takeaway.com shareholders would own approximately 47.8% of the share capital of the Combined Just Eat/Takeaway.com Group (based on the fully diluted ordinary issued share capital of Takeaway.com (but excluding dilution from any conversion of Takeaway.com's convertible bonds) and the fully diluted share capital of Just Eat, in each case, as at 29 July 2019).

In India, Swiggy's main competitors, in terms of number of orders processed, are Zomato and Uber Eats.

In FY 2019, Swiggy had annualised GMV growth of 265% and annualised order volumes increased by 320%.

The Group also has exposure to Delivery Club (through its interest in Mail.ru Group), Meituan (through its interest in Tencent) and Takeaway.com (through its interest in Delivery Hero).

Food delivery businesses primarily generate revenue through per-order commissions charged to every restaurant that uses these online marketplaces, for example, based on the value of order placed through a platform. Additional revenue is generated from other income streams, such as fees for premium listings or transaction fees. In FY 2019, Food Delivery generated US\$377 million in revenues and US\$171 million in trading loss, with revenue growth in local currency excluding acquisitions and disposals totalling 57%. The cumulative annualised GMV growth in the Food Delivery segment was 65% and cumulative annualised order volumes across all these companies increased by 100%.

Delivery Hero Corporate Information

Listing (date).....	Frankfurt Stock Exchange (2017)
Market capitalisation.....	€8.42 billion ⁽ⁱ⁾
Dividends received from Delivery Hero by the Group (FY 2019, FY 2018 and FY 2017).....	None ⁽ⁱⁱ⁾

Delivery Hero's segmental revenue for its fiscal year ended 31 December 2018⁽ⁱⁱⁱ⁾	Amount (€ million)	Percentage of Total Revenue
Europe.....	221.3	28
Middle East and North Africa.....	316.4	40
Asia.....	192.5	24
Americas.....	62.1	8
Total^(iv)	792.4	100

Delivery Hero's segmental revenue for the six months ended 30 June 2019^(v)	Amount (€ million)	Percentage of Total Revenue
Europe.....	78.2	13
Middle East and North Africa.....	308.2	53
Asia.....	149.7	26
Americas.....	45.7	8
Total	581.7	100

(i) As at the Last Practicable Date, approximately US\$9.38 billion (based on an exchange rate of US\$1 to €0.8972).

(ii) The Group has not received any dividends from Delivery Hero over the last three fiscal years.

(iii) Source: Delivery Hero, Annual Report for the fiscal year ended 31 December 2018.

(iv) The Group's share of Delivery Hero's total revenue on an economic-interest basis for FY 2019 was US\$174 million.

(v) Source: Delivery Hero, Trading update for the six months ended 30 June 2019.

Selected Subsidiary, Associate or Joint Venture	Effective Interest (%) ⁽ⁱ⁾
Delivery Hero SE	22.3
Bundl Technologies Private Limited (Swiggy).....	38.8
iFood.com Agência de Restaurantes Online S.A. ⁽ⁱⁱ⁾	54.8
El Cocinero a Cuerda S.L. (SinDelantal – Mexico) ⁽ⁱⁱ⁾	27.3

(i) As at the date of this Prospectus.

(ii) The Group has an interest in this entity through its interest in Movile.

Etail

The Group's primary asset within the Etail segment is the eMAG business. eMAG operates a structured first-party/third-party B2C ecommerce platform in Romania, Hungary, Bulgaria and Poland, with an aggregate population of more than 75 million people, under the eMAG brand, as well as the leading fashion shopping marketplace in Romania under the Fashion Days brand. In addition, eMAG operates SameDay (courier delivery), PC Garage (a specialised online retailer focused on gamers), Depanero (repair service) and Conversion Marketing (performance marketing). eMAG has a leadership position in Romania, Hungary and Bulgaria.

The Group believes that eMag's first-party/third-party combination enables it to deliver world-class service in the areas that it believes customers value: price, selection and convenience. eMAG is able to offer its customers competitive prices because of the scale of its first-party business and because of the competitive dynamics among the sellers listing on its platform. eMAG's large pool of third-party merchants expands the platform's selection beyond what a first-party retailer could offer and the Group believes this differentiates eMAG from offline retailers and smaller online "etailers". To increase the convenience of its platform, eMAG is building out its SameDay courier business. eMAG is creating the logistics infrastructure needed to increase the delivery quality of its first-party and third-party businesses. The Group believes that this ensures that customers enjoy the delivery speed and reliability they expect and deepens eMAG's relationships with its third-party merchants. To complement its online platform and further improve customer convenience, eMAG operates showrooms across Romania and its international markets. By making it more convenient for buyers to receive their goods, showrooms drive incremental sales and increase purchase frequency among existing customers. In addition, showrooms draw new customers from offline to online.

The largest share of eMAG's revenue comes from its home market of Romania, in which it is profitable. As the leading "etailer" in that market, eMAG continues to grow faster than the market and to increase its scale. In March 2019, it was announced that, subject to obtaining the requisite regulatory approvals, eMAG will merge its business in Hungary with the businesses of ED Group Asset Management Kft. (Extreme Digital) in Croatia, the Czech Republic, Hungary, the Republic of Austria, the Slovak Republic and the Republic of Slovenia. eMAG will hold a 52% effective interest in those businesses. In FY 2019, the profits from eMAG Romania were redeployed to investments in eMAG's expansion markets across the region, which are in earlier phases of development and are not yet profitable on a stand-alone basis. Over the period FY 2016 to FY 2019, eMAG's GMV grew by a CAGR of approximately 24% per annum:

	FY 2016	FY 2017	FY 2018	FY 2019
GMV (US\$ billion)	0.9	1	1.5	1.7

Selected Subsidiary	Effective Interest (%) ⁽ⁱ⁾
Dante International S.A. (eMAG).....	80.1

(i) As at the date of this Prospectus.

Travel

MakeMyTrip

MakeMyTrip is one of the leading online travel companies in India. MakeMyTrip commenced operations in 2000 with a focus on the non-resident Indian market in the United States, primarily servicing its demand for United States to India air tickets. It started its Indian business with the launch of its Indian MakeMyTrip website in September 2005. In August 2010, MakeMyTrip's ordinary shares were listed on the NASDAQ. In January 2017, the Group completed the merger of Goibibo and redBus with MakeMyTrip. As a result of the transaction, the Group received a minority interest in MakeMyTrip. MakeMyTrip currently targets its services and travel products to leisure travellers and corporate travellers who prefer to make their own travel arrangements through its online and offline sales channels. Its primary websites, www.makemytrip.com, www.goibibo.com and www.redbus.in, as well as mobile platforms, allow travellers to research, plan and book a wide range of travel services and products in India as well as internationally. Its services and products include airline tickets, hotels and packages, rail tickets, bus tickets, car hire and ancillary travel requirements such as facilitating access to third-party travel insurance and visa processing. MakeMyTrip provides its customers with access to all major domestic full-service and low-cost airlines operating in India and all major airlines operating to and from India, and, as at 31 March 2019, over 61,500 domestic accommodation properties in India, over 500,000 hotels and properties outside India, Indian Railways and all major Indian and Singaporean bus operators.

MakeMyTrip's technology platforms, including its mobile offerings, integrate its sales, customer service and fulfilment operations. MakeMyTrip's technology platforms are scalable and can be upgraded to handle increased traffic and complexity of products. MakeMyTrip also uses other technology-enhanced distribution channels, including call centres and travel stores in India, as well as its network of travel agents in India.

MakeMyTrip is the online leader across the key travel segments in India and competes against a range of local and global competitors such as Booking, Yatra and traditional travel agencies.

Ctrip

In April 2019, the Group announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will exchange its 42.6% effective interest in MakeMyTrip for an approximately 6% effective interest in Ctrip. On 20 August 2019, the Competition Commission of India approved the Ctrip Transaction. As at the date of this Prospectus, some of the closing conditions have not been met. The Ctrip Transaction is expected to close in August 2019.

Ctrip is a leading travel service provider for accommodation reservation, transportation ticketing, packaged tours and corporate travel management. Ctrip targets its services primarily at business and leisure travellers in China who do not travel in groups, catering for their increasing needs for both domestic and international travel, with an emphasis on the latter to enable it to quickly adjust to the changing market environment. These types of travellers form a traditionally under-served yet fast-growing segment of the China travel market, and Ctrip believes that this segment's need for international travel offers growth opportunities. Ctrip believes that it is the largest consolidator of hotel accommodation in China in terms of the number of room nights booked, as well as the largest consolidator of airline tickets and the top air ticket distribution agency in China in terms of the total number of airline tickets booked and sold through it. As of 31 December 2018, it had room supply relationships with approximately 1.4 million hotels in China and abroad, which covered a broad range of hotels in terms of prices and geographical locations. Its airline ticket suppliers include all major Chinese airlines and over 300 international airlines that operate flights originating in cities in China and abroad, and offer over 3 million flight routes, connecting over 5,000 cities in approximately 200 countries.

Further information about MakeMyTrip's and Ctrip's respective business, management, results of operations, financial condition and risks is published on their respective website, <http://investors.makemytrip.com/> and <http://ir.ctrip.com/investor-overview>. See "*General Information—No Incorporation of Website*".

MakeMyTrip Corporate Information

Group's effective interest	42.6% ⁽ⁱ⁾ (ii)
Listing (date)	NASDAQ (2017)
Market capitalisation	US\$2.34 billion ⁽ⁱ⁾
Dividends received from MakeMyTrip by the Group (FY 2019, FY 2018 and FY 2017)	None ⁽ⁱⁱⁱ⁾

MakeMyTrip's segmental revenue for its fiscal year ended 31 March 2019^(iv)	Amount (US\$ million)	Percentage of Total Revenue
Air ticketing.....	166.7	34
Hotels and packages.....	237.5	49
Bus ticketing.....	53.7	11
Other.....	28.1	6
Total^(v)	486.0	100

MakeMyTrip's segmental revenue for the three months ended 30 June 2019^(vi)	Amount (US\$ million)	Percentage of Total Revenue
Air ticketing.....	44.6	31
Hotels and packages.....	68.5	48
Bus ticketing.....	18.3	13
Other.....	10.3	7
Total	141.7	100

(i) As at the Last Practicable Date.

(ii) The Group holds its interest in MakeMyTrip through MIH Internet SEA Pte. Ltd., which is held by the Group (91%) and Tencent (9%).

(iii) The Group has not received any dividends from MakeMyTrip over the last three fiscal years.

(iv) Source: MakeMyTrip, Annual Report for the fiscal year ended 31 March 2019.

(v) The Group's share of MakeMyTrip's total revenue on an economic-interest basis for FY 2019 is US\$206 million.

(iv) Source: MakeMyTrip, Unaudited financial results for the three months ended 30 June 2019.

Ctrip Corporate Information

Group's expected approximate effective interest on closing of the Ctrip Transaction.....	6% ⁽ⁱ⁾
Listing (date).....	NASDAQ (2003) ⁽ⁱⁱ⁾
Market capitalisation.....	US\$17.85 billion ⁽ⁱⁱⁱ⁾

Ctrip's revenue for its fiscal year ended 31 December 2018^{(iv) (v)} (US\$ million)^(vi)	Amount
Total	4,504

Ctrip's revenue for the three months ended 31 March 2019^{(v) (vii)} (US\$ million)^(viii)	Amount
Total	1,218

(i) In April 2019, the Group announced that, subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will exchange its interest in MakeMyTrip for an interest in Ctrip.com International, Ltd. Concurrent with the share exchange, Ctrip will invest certain ordinary shares and class B shares of MakeMyTrip in a third-party investment entity. Post the Ctrip Transaction, the Group will own approximately 6% of Ctrip's outstanding ordinary shares, and Ctrip and the third-party investment entity will own ordinary shares and class B shares of MakeMyTrip, representing approximately 49.0% and 4.0% of MakeMyTrip's total voting power, respectively. On 20 August 2019, the Competition Commission of India approved the Ctrip Transaction. As at the date of this Prospectus, some of the closing conditions have not been met. The Ctrip Transaction is expected to close in August 2019.

(ii) Ctrip's shares (in the form of American depository receipts) are admitted to listing and trading on NASDAQ.

(iii) As at the Last Practicable Date.

(iv) Source: Ctrip, Form 20-F for the fiscal year ended 31 December 2018.

(v) Ctrip operates and manages its business as a single segment.

(vi) RMB30,965 million. The translation from the Chinese Yuan Renminbi amount into a U.S. Dollar amount was made at a rate of RMB6.8755 to US\$1.00.

(vii) Source: Ctrip, Form 6-K for the three months ended 31 March 2019. On 2 August 2019, Ctrip has announced that it will announce its trading update for the six months ended 30 June 2019 on 9 September 2019. See <https://ir.ctrip.com/financial-information/quarterly-results>.

(viii) RMB8,173 million. The translation from the Chinese Yuan Renminbi amount into a U.S. Dollar amount was made at a rate of RMB6.7112 to US\$1.00.

Other Ecommerce – Ventures

Through its Ventures business, the Group seeks to identify entrepreneurs in high-growth markets that it believes are building leading companies that have the potential to scale globally. Ventures’ goal is to identify the next phase of growth for the Group, identifying trends, technologies, segments and geographies to invest in that will experience significant growth in the coming decades. A number of the Group’s established platforms also fall under Ventures.

Ventures, with a dedicated team in key innovation hubs, evaluates consumer trends to understand engagement at a deep level, using this information to identify investment opportunities. The Group focuses on the creation of global platforms that address major societal needs in high-growth markets. Through Ventures, it aims to explore these opportunities in new market segments. Education and health are specific segments that it believes demonstrate viable investment opportunities.

Mobile — Movile is a leader in mobile marketplaces headquartered in Brazil with 2,200 employees located in offices in Argentina, Colombia, France, Mexico, Peru and the United States. With 150 million users in more than 100 countries, Movile’s main operating segments are food (through iFood), payments (through Zoop, an open platform for payments and financial services in Brazil), tickets (through Sympla, the leading self-service ticketing platform in Brazil), education (through PlayKids, a leading, global children’s app) and content services (through Wavy, a business that bundles the mobile content and messaging offerings).

The Group also has interests in the following associated companies:

- *Education* — Within the education segment, the Group has made investments in various entities that are at different stages of development in various markets. According to Udemy, it is the leading global marketplace for teaching and learning at any age and serves more than 30 million students in 190 countries around the world. Brainly is one of the world’s largest social learning platform, serving more than 100 million students in more than 35 countries. Brainly enables students to help other students on any school subject. BYJU’S is the most popular K-12 learning app in India and intends to expand internationally and to invest in technology that will help to further personalise learning for students. Codecademy is an online coding education platform, teaching more than 45 million people how to code. SoloLearn is a mobile-first peer-to-peer learning platform aimed at the coding community.
- *Health* — Within the health segment, the Group has acquired a minority interest in Honor, a home-care company based in the U.S. and the founder of the Honor Care Network, a national network of home-care agencies. Honor brings scalable workforce management and technology expertise together with the high-touch, personalised care of local home-grown care agencies. In addition, the Group invested in Human Dx Limited, which facilitates the creation of a machine-interpretable health database and ontology to map health problems to their possible diagnoses.
- *SimilarWeb* — SimilarWeb provides global multi-device market intelligence to understand, track and grow digital market share. SimilarWeb measures and analyses more than three million apps and 80 million websites, providing mobile and desktop insight into traffic flows and consumer behaviour.

On 14 May 2019, the Group announced it had agreed to sell its interest in Buscapé. Subject to obtaining the relevant regulatory approvals, the sale of the Group’s interest in Buscapé is expected to close in 2019.

Selected Subsidiary or Associate	Effective Interest (%) ⁽ⁱ⁾
Brainly, Inc	42.7
Ryzac, Inc. (Codecademy).....	21.1
Honor Technology, Inc. (Honor).....	16.5
Human Dx Limited.....	22.6
Meesho Inc	12.1
Movile Internet Movel S.A	82.1
SimilarWeb Limited.....	24.2
SoloLearn, Inc	15.3
Sympla Internet Soluções SA.....	65.5
Think & Learn Private Limited (BYJU’s).....	11.6
Udemy, Inc. ⁽ⁱⁱ⁾	12.7

(i) As at the date of this Prospectus.

(ii) The Group accounts for its interest as an investment in an associate on account of its representation on the board of directors of the company.

Social and Internet Platforms

The Group has interests in two key social and internet platforms: its associated companies, Tencent and Mail.ru Group.

Tencent

Tencent is a leading listed integrated internet services company in China, operating a broad range of internet services including communication and social services, online games, digital content, online advertising and other services.

Tencent aims to become the hub for fulfilling its customers' online lifestyle needs, through its expansive product offerings as well as its strong network of partnerships, encompassing communication, social networking, entertainment, information and "online to offline" services. Following the launch of its product QQ in February 1999, Tencent has built numerous popular platforms and services, such as Weixin/WeChat, Qzone, Tencent News, Tencent Video and QQ Music. Its social products, Weixin/WeChat and QQ, link its users to a rich digital content catalogue, including games, video, literature, news, music and others. It further broadens the types and the number of services offered to its users by allowing third-parties to access and offer services and products on its open platforms. Through strategic partnerships with category leaders, it has further expanded its ecosystem and deepened engagement with users on its platforms.

The core of Tencent's business is to focus on executing its connection strategy by fostering a healthy mobile ecosystem with enriched online and offline user experiences, and by strengthening its relationship with strategic partners, bring its and its partners' products and services to Chinese consumers through various platforms. Its business focuses on providing value for users, application developers, content providers advertisers, merchants and enterprises. It has three lines of business:

- *Value-added Services* — Tencent's value-added services mainly comprise online games and social networks.
 - *Online Games* — Tencent operates the largest online games platform globally and in China, by revenue. For personal computer (PC) client-based games, it maintains its leadership as the largest game operator and publishing platform in China, by revenue. It has successfully extended its PC games leadership into smart phone games.
 - *Social Networks* — Tencent is a leading provider of social networks in China, with leading social communication platforms, including Weixin/WeChat, QQ and Qzone. As at 31 March 2019, Weixin/WeChat had more than 1 billion monthly active users. It also provides its user community with a diverse and comprehensive range of digital content services, including online video, music, literature, interactive live video, news and others.
- *Online Advertising* — Tencent's online advertising services primarily comprise media advertising, and social and other advertising. Media advertising relates to advertising on its online video, news and music properties. Significant traffic on its online media properties provides opportunities to drive monetisation through advertising. Social and other advertising relates to advertising on its social and other platforms, such as Weixin Moments, Weixin Official Accounts, QQ, Qzone and its utilities properties, such as app store and browser, as well as ad networks. Through its comprehensive ecosystem, scale and data insights, Tencent is able to drive more relevant and targeted advertising to generate higher efficiency and returns for advertisers.
- *Others* — Tencent's other services include fintech services, cloud services and other services. It provides infrastructure support and mobile payment solutions to merchants, while Weixin Pay and QQ Wallet are consumer-facing mobile payment solutions with expanding uses, including social, "online to offline" services and online finance. Through continued investments in cloud services, Tencent made several internally developed technologies available to its corporate clients and partners. Tencent Cloud has been expanding its global infrastructure coverage and, as at the date of this Prospectus, offers services in 25 regions and 53 availability zones. Through providing differentiated and tailor-made solutions, Tencent Cloud has grown its customer base and is a leader in online games and live video broadcast segments, and is gaining market share in verticals such as internet finance and retail cloud services.

The market for internet and telecommunications value-added services in China is highly competitive, and competition is expected to increase. Tencent's main competitors in online gaming are NetEase, Inc., Perfect World, Inc., Shanda Investment Group Limited and Soho.com Limited (through its subsidiary Changyou.com Limited). In online video, Baidu, Inc. (**Baidu**) (through iQiyi), Tencent Video and Youku Tudou Inc.

(Youku) compete against each other. Tencent competes with a range of internet services that sell advertising space online. Tencent's main competitors in advertising are Baidu in search, Sina Corporation (through Sina Weibo) in social networks, iQiyi and Youku in video, and Today's Headlines in news feeds. Alibaba and Alibaba's Alipay are Tencent's main competitors in ecommerce, cloud services and online payment systems.

Further information about Tencent's business, management, results of operations, financial condition and risks is published on its website, <http://www.tencent.com/en-us/investor.html>. See "General Information—No Incorporation of Website".

Tencent's Corporate Information

Group's effective interest.....	30.99% ⁽ⁱ⁾
Listing (date)	Hong Kong Stock Exchange (2004)
Market capitalisation	HK\$3,193 billion ⁽ⁱⁱ⁾

Dividends received from Tencent by the Group	Amount (US\$ million)
FY 2019	342
FY 2018	247
FY 2017	191

Tencent's segmental revenue for its fiscal year ended 31 December 2018⁽ⁱⁱⁱ⁾	Amount (RMB million)	Percentage of Total Revenue
Value-added services	176,646	56
Online advertising.....	58,079	19
Others	77,969	25
Total^(iv)	312,694	100

Tencent's segmental revenue for the six months ended 30 June 2019^(v)	Amount (RMB million)	Percentage of Total Revenue
Value-added services	48,080	54
Fintech and business services ^(vi)	22,888	26
Online advertising.....	16,409	18
Others	1,444	2
Total.....	88,821	100

(i) As at the date of this Prospectus.

(ii) As at the Last Practicable Date, approximately US\$407 billion (based on an exchange rate of US\$1 to HK\$7.8434).

(iii) Source: Tencent, Annual Report for the fiscal year ended 31 December 2018.

(iv) The Group's share of Tencent's total revenue on an economic-interest basis for FY 2019 is US\$14,457 million.

(v) Source: Tencent, Trading update for the six months ended 30 June 2019.

(vi) In its trading update for the three months ended 31 March 2019, Tencent announced that it will separately disclose "Fintech and business services" as a new segment in its financial reports.

Mail.ru Group

Mail.ru Group is a leading company in the Russian-speaking internet market. Mail.ru Group owns Russia's leading email service and one of Russia's largest internet portals, Mail.ru, the two largest Russian-language social networks, VKontakte (VK) and Odnoklassniki (OK), and Russia's leading online games developer. Its ecommerce business includes the largest food delivery company in Russia, Delivery Club, location-based marketplace Youla and Pandao, an online cross-border marketplace. It also owns mobile games developer Pixonic, a leading OpenStreetMap-based offline mobile maps and navigation service MAPS.ME, instant messaging service Agent Mail.ru and a controlling interest in GeekBrains, an online education platform for developers. The Mail.ru Group's large user base provides a strong foundation for the launch of new services and also allows it to generate revenue from display and contextual advertising as well as a range of internet value-added services. These include online games, virtual gifts and other features. Mail.ru Group offers a variety of online communication products and entertainment services, including:

- *Email, Portal and Instant Messaging Services* — Mail.ru is the most popular email service on the Russian-speaking internet in terms of monthly audience with 103 million active accounts and 700 million messages received daily. Mail.ru Group also operates three instant-messaging services, Agent Mail.ru Group, ICQ and TamTam.
- *Social Networks* — the Mail.ru Group operates the three leading Russian-language social networks, Vkontakte (VK.ru), Odnoklassniki (OK.ru) and My World.
- *Online Games* — the Mail.ru Group operates the leading online games business in Russia. The portfolio includes leading massively multiplayer online (**MMO**) games such as HAWK, Hustle Castle, Warface and War Robots. In the three months ended 31 December 2018, international revenues accounted for 63% of Mail.ru Group's total MMO revenue (based on Mail.ru Group's segment reporting), with the U.S., Germany and Japan being the largest non-Russian markets. In its fiscal year ended 31 December 2018, international gaming revenues made up approximately 20% of Mail.ru Group's total revenues (based on Mail.ru Group's segment reporting).
- *Ecommerce, Search and Other Services* — (i) Pandao: in 2017, Mail.ru Group launched Pandao, an online cross-border marketplace offering goods directly from China. In September 2018, Mail.ru Group announced that it will enter into a joint venture with Alibaba Group Holding Limited (**Alibaba**), the Russian Direct Investment Fund and MegaFon PJSC, under which it will contribute its Pandao business and cash in exchange for a 15% interest in AliExpress Russia, an online cross-border marketplace. On 5 June 2019, Mail.ru Group announced that the Russian Federal Antimonopoly Service had approved the transaction and the parties had entered into definitive transaction documents; (ii) Delivery Club: Mail.ru Group operates Delivery Club, the number one food delivery platform in Russia. On 25 July 2019, Mail.ru Group announced that it and PJSC Sberbank plan to create a leading Russian online-to-offline services platform focussed on food and transportation in a 50:50 joint venture (among other things, by Mail.ru Group contributing its interests in Delivery Club to the joint venture); (iii) GeekBrains: in August 2016, Mail.ru Group acquired GeekBrains, an education platform for developers. In April 2017, GeekBrains launched the GeekUniversity, the first Russian online university for developers; (iv) Go.Mail.ru: Mail.ru Group's search service, Go.Mail.ru, is the third-largest search service in Russia. In addition to Russia, Mail.ru Group's search has a large presence in other Commonwealth of Independent States countries; (v) MAPS.ME: in November 2014, Mail.ru Group acquired MAPS.ME, a leading OpenStreetMap-based offline mobile maps and navigation service; (vi) Youla: Mail.ru Group's online location-based marketplace, Youla, is a leading online classifieds marketplace in Russia with a strong focus on mobile. Youla was integrated into OK.ru as a separate classified section. In May 2017, Mail.ru Group acquired Am.ru, a Russian automotive classifieds website, which it integrated into Youla; and (vii) ESforce: in March 2018, Mail.ru Group acquired ESforce, one of the largest eSports companies globally and the largest in Russia and Eastern Europe.

Mail.ru Group competes with all websites that sell advertising space online, but its main competitors are those that offer a broad range of products, including communication, games, search and social network services. Mail.ru Group's main competitors are internet platforms such as Google, Facebook, Rambler, Skype and Yandex.

Further information about Mail.ru Group's business, management, results of operations, financial condition and risks is published on its website, <https://corp.mail.ru/en/investors/>. See "*General Information—No Incorporation of Website*".

Mail.ru Group's Corporate Information

Group's effective interest	28.0% ⁽ⁱ⁾
Listing (date)	London Stock Exchange (2010) ⁽ⁱⁱ⁾
Market capitalisation	US\$4.95 billion ⁽ⁱ⁾
Dividends received from Mail.ru Group by the Group (FY 2019, FY 2018 and FY 2017)	None ⁽ⁱⁱⁱ⁾

Mail.ru Group's revenue by category for its fiscal year ended 31 December 2018^(iv)	Amount (RUB million)	Percentage of Total Revenue
Online advertising.....	31,853	42
MMO games.....	23,290	31
Community internet value-added services	15,005	20
Others.....	5,112	7
Total^(v)	75,260	100

Mail.ru Group's revenue by category for the six months ended 30 June 2019^(vi)	Amount (RUB million)	Percentage of Total Revenue
Online advertising.....	16,342	44
MMO games.....	10,384	28
Community internet value-added services	7,618	20
Others.....	2,841	8
Total.....	37,185	100

(i) As at the Last Practicable Date.

(ii) Mail.ru Group's shares (in the form of global depository receipts) are admitted to listing on the UK Official List and to trading on the London Stock Exchange.

(iii) The Group has not received any dividends from Mail.ru Group over the last three fiscal years.

(iv) Source: Mail.ru, Annual Report for the fiscal year ended 31 December 2018.

(v) The Group's share of Mail.ru Group's total revenue on an economic-interest basis for FY 2019 is US\$287 million.

(vi) Source: Mail.ru, Interim condensed consolidated financial statements for the six months ended 30 June 2019.

Market Trends

The Group's diverse businesses and investments face competition from a wide variety of sources. Below is an overview of the industries in which each of the Group's businesses and investments operates and the competitive landscape that each of them faces.

Overview

The Group's assets are spread across China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. Most of its businesses are market leaders in their sectors. The Group's operations are structured around classifieds, payments and food delivery. In addition, MakeMyTrip is India's leading online travel agent and eMAG is one of the largest structured third-party marketplaces in Central and Eastern Europe. The Group's listed investments in social and internet platforms (Tencent and Mail.ru Group) cover a wide variety of internet services that are built around core communication, gaming and social networking platforms operating mainly in China and Russia. This broad geographical reach gives the Group exposure to 13 out of the top 20 fastest-growing economies in the world,¹² with some of the most technological advanced geographies. For example, in China in 2018 absolute spends for games and ecommerce were the same and higher than in the United States respectively, but with almost double the number of mobile internet users and mobile payments transactions.

Due to increased internet penetration and the growing adoption of ecommerce among internet users in the markets in which the Group operates, competition has intensified. The Group is facing an increasing number of entrants, including both local and international competitors. As a global consumer internet group and one

¹² Source: International Monetary Fund World Economic Outlook, Based on 2019E GDP growth estimates for the countries with over 50 million population

of the largest technology investors in the world, the Group's main competitors as technology investors are traditional providers of capital, including private equity, as well as other consumer internet-focused investors (such as Alibaba, Facebook, Google and Tencent).

Traditional industries are increasingly being disrupted by the internet, and, in particular, through mobile devices. The rising adoption of online classifieds, payments and food delivery in the Group's targeted markets is underpinned by two growing trends: increased internet penetration and the proliferation of mobile devices. Global internet penetration growth was expected to reach an estimated 7.7% in 2018, according to Euromonitor,¹³ mainly driven by growth in more developed markets. The next wave of adoption of online classifieds, payments and food delivery is occurring in certain growth markets, particularly in the Asia-Pacific region, the Middle East and in Latin America where the number of smartphone users is expected to grow at compound annual growth rates (CAGRs) of 11.2%, 11.2% and 6.2%, respectively, between 2018 and 2023.¹⁴

As the Group's target markets continue to develop, their middle-classes are projected to expand as well, and the Group believes that the middle-class will spend more time consuming various forms of media and engaging in e-commerce. Rapidly growing middle-class households in China, Brazil and India are expected to increase to 21.6%, 23.7% and 27% (23.7% in aggregate for these markets) of the respective overall number of households by 2030, according to Euromonitor.¹⁵

Internet access in certain countries where the Group and its investments have operations is growing rapidly and internet penetration is expected to increase from an estimated 49.3% in 2018 towards penetration levels seen in more developed economies, according to Euromonitor.¹⁶ Brazil, Russia, India and China are also enjoying rapid growth in the number of smartphone users, with an expected CAGR of 4.6% for the period from 2018 to 2023.¹⁷ The Group believes that this trend is likely to contribute to increased internet penetration over the medium-term.

Traffic to the Group's internet properties and sales in its core markets are increasingly driven by mobile devices and applications, given local constraints in fixed-line infrastructure (for example, the relatively low number of fixed internet access points), and the advent of low-cost smartphones and tablets. According to the Pew Research Center,¹⁸ growth markets are catching up with the United States in terms of smartphone adoption, particularly among adults in the 18 to 34 year age range. This reinforces the long-term trend towards online transaction activity.

Classifieds

Classifieds spend has been shifting from traditional print media to online following the emergence of online classifieds marketplaces. These marketplaces are designed to help people trade on a local level similar to print media classifieds. The offline to online shift is driving the online migration of classified advertisements and supporting the growth of online listing volumes and online classifieds expenditure. The functionality available in online platforms is well suited to classifieds by facilitating buyers and sellers to find, connect and interact more efficiently, conveniently and expeditiously with each other. Listers previously purchased classified listings in printed publications (e.g., newspapers or magazines), to facilitate sales of their goods and services. The general decline in readership and circulation of printed publications and the concurrent increase in the audience of online and mobile destinations that are accessible free of charge to internet users, have led listers to increasingly favour digital classified platforms to maximize the reach of their marketing spend while targeting the most relevant consumers. Further, online classified advertisements offer a wider range of flexibility in manner of advertisements (such as banner ads and commercial videos) and payment models (such as payment by volume, duration or performance-based payments).

Classifieds platforms are generally categorised in those that facilitate listings for general goods, otherwise called horizontal platforms, or those that specialise in specific product categories, or verticals, such as automotive, real estate, jobs or services. These can be offered under the same brand name and as an extension of a horizontal platform or as a specialised platform. Typically the vertical platforms are used by professional listers and thus provide more monetising potential than horizontal platforms.

¹³ Source: Euromonitor International Limited, Economies & Consumers.

¹⁴ Source: Euromonitor International Limited, Passport Digital Consumer, as per "mobile internet subscribers" definition.

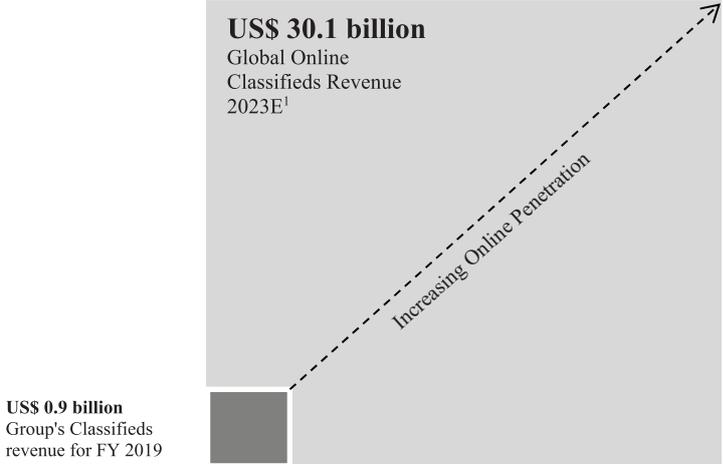
¹⁵ Source: Euromonitor International Limited, Economies & Consumers.

¹⁶ Source: Euromonitor International Limited, Economies & Consumers.

¹⁷ Source: Euromonitor International Limited, Passport Digital Consumer, as per "possession of smartphone" definition.

¹⁸ Source: Pew Research Center, dataset, 2019.

Online classifieds have shown strong historical growth and the Group believes the prospects for the future remain very attractive. It is estimated that global online classifieds revenue will reach US\$30 billion in 2023.¹⁹ As illustrated in the figure below, the global online classifieds market is forecast to grow to US\$30.1 billion by 2023.²⁰



(i) Statista (2019), Digital Market Outlook.

With its leadership positions in general goods, the Group is increasingly using its market position to penetrate vertically in the main markets the Group operates in.

The expansion into new vertical categories may require C2C horizontal marketplaces to adjust their operating models and require additional investment in systems, expertise and physical infrastructure. Certain vertical marketplaces, in particular the automotive vertical, for example, require classifieds businesses to manage inventory, which C2C horizontal marketplaces may be unfamiliar with.

Increasingly, in the markets where the Group is active, there is an opportunity to offer additional services. These services include car inspection reports, real estate inspections, and facilitation in the delivery of goods from the seller to purchaser. These services improve the user experience and convenience for the consumer and provide additional revenue opportunities for the Group.

An online marketplace's ability to generate revenues depends, to a large extent, on the number of listings and traffic on its sites. While listings and traffic on online classifieds marketplaces are primarily driven by the network effects where listing inventory and user traffic are mutually reinforcing, external factors such as internet penetration and the general market conditions of the relevant geographic markets will affect the number of listings. Early movers typically benefit from an established brand and from behavioural inertia once consumers start using the marketplace. Early movers thus have an inherent advantage over subsequent entrants. New entrants require significantly higher investments to gain the same traction with customers, when compared with existing players. New entrants also have difficulty in achieving profitability before reaching sufficient scale. Marketplaces' two-sided network effects thus reinforce leadership positions.

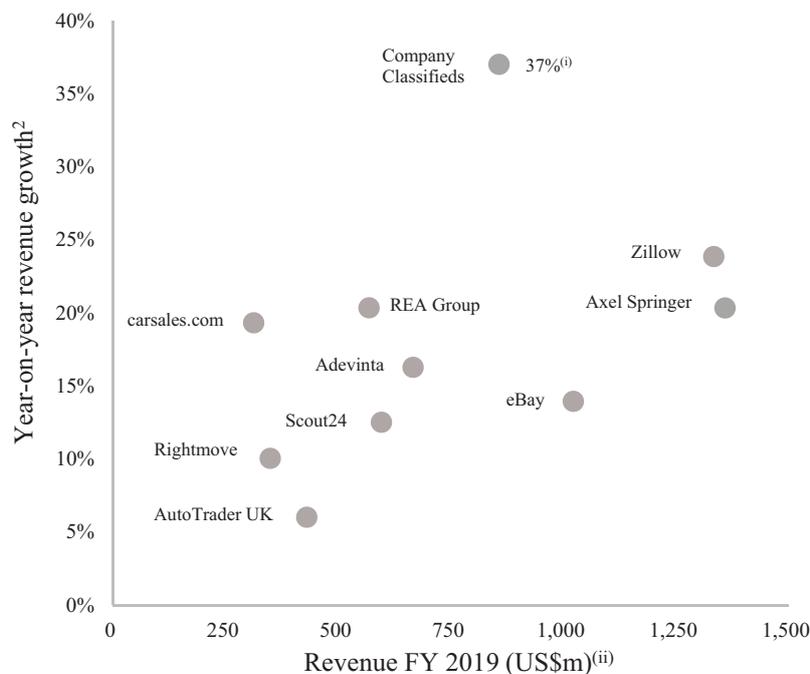
Growing mobile internet penetration levels and higher usage of smartphones and tablets have resulted in an increase in mobile time spent online. As technology has evolved, devices have shifted from analogue to digital and consumers have shifted from desktop to mobile. High mobile usage also enhances the platforms' data mining capabilities, which are valuable to buyers and professional sellers, thereby generating opportunities for new value-added revenue streams.

The Group's Classifieds businesses and investments are present in 77 countries and are leaders in 28 markets. It is the fastest-growing classified player globally at scale, growing over 37% between 2018 and 2019. More mature peers in developed markets have reached 40 to 60% EBITDA margins.²¹

¹⁹ Source: Statista (2019), Digital Market Outlook, global online classifieds revenue 2023E.

²⁰ Source: Statista, Inc., dataset, 2019.

²¹ Based on Scout24 (fiscal year ended 31 December 2018), carsales.com (fiscal year ended 30 June 2018) and REA Group (fiscal year ended 30 June 2018) EBITDA margin.



Source: FactSet Research Systems Inc., 30 April 2019.

- (i) The Company's classifieds data reflects year-on-year FY 2018 – FY 2019 revenue growth in local currency excluding acquisitions and disposals, all other growth rates are based on the latest filing of the relevant company (in their reporting currency).
- (ii) The Company's classifieds data reflects FY 2019, all other based on the latest filing of the relevant company (based on constant currencies as at 30 April 2019: US\$/GBP1.3037, US\$/€1.1207, US\$/AUD\$0.0739).

Payments and Fintech

The Group's online payment system operations seek to create an efficient, fast, secure and simple payment process for merchants and buyers. It operates across 18 markets in Asia, Central and Eastern Europe, Latin America, the Middle East and Africa, with an aggregate population of more than 2.3 billion people.

Growth market economies have the lowest rates of financial penetration globally, with an estimated 25.9% adults being unbanked (an even greater number if the under-banked segments of the population are included), and over half of all economic transactions conducted in cash, according to the World Bank.²² Such demographic factors pave the way for online payments and other innovative financial services offerings. In addition, governments hoping to enhance financial inclusion and accessibility tend to open the market to non-bank players.

Given the increasing growth of online businesses and cross-border commerce, the Group believes that online payments are becoming an integral part of the ecommerce ecosystem, among other things, by improving the ease of purchase. Non-cash payment transactions have grown significantly in recent years, and the Group expects this growth to accelerate as electronic transactions increasingly displace cash and cheques. The Group expects the rapid growth in ecommerce to be a major driver of continued growth in non-cash payment transactions. Furthermore, mobile phone ecommerce has the potential to increase the number of payment transactions as mobile phones are able to be used as payment devices.

Efficient delivery systems and payment methods are critical to ecommerce in growth markets. Because consumers in growth markets may not have access to payment methods such as credit or debit cards, new payment systems must be developed or adapted to allow consumers to transact online. As a technology that facilitates transactions, payment systems are an integral part of the ecommerce ecosystem.

According to McKinsey & Company, global purchase volumes are expected to increase from US\$0.8 trillion in 2017 to US\$1.4 trillion by 2022.²³ As overall competition in ecommerce continues to increase, providing a simple payment solution not only increases efficiencies for merchants, but also both improves the overall consumer experience and increases consumer loyalty.

²² Source: The World Bank Group, dataset, 2017.

²³ Source: McKinsey & Company, Global Payments 2018: A Dynamic Industry Continues to Break New Ground. 2022E global payments revenue excluding North America and account related liquidity (being net interest income on current accounts and overdrafts) (assuming the same share of account related liquidity in North America payments revenue in 2017-2022E).

As the payments industry develops, the benefits of scale as well as integrating with merchants and financial institutions become even more relevant. The benefits of scale manifest themselves in many ways, not only in order for operators to reach critical mass and cover fixed overheads but also with the ability to reinvest in technology to improve reliability, security and efficiency in a rapidly evolving industry. PSPs face an increasingly complex and demanding regulatory environment globally that requires providers to continue to invest in compliance and anti-money laundering functions. These functions benefit from scale of investment. Minimising consumer fraud is a major challenge for both PSPs and merchants. PSPs are thus increasingly using machine learning, data mining and artificial intelligence, among other things, to reduce the risk of fraudulent transactions. An ongoing priority for payments businesses, especially in growth markets, is to continue to invest in integrating with merchants and financial institutions in order to entrench their currently more limited role in the financial ecosystem.

The global payments industry is highly competitive. As online and offline commerce are increasingly converging, the pace of change, innovation and disruption is also increasing. Digital PSPs are expanding their offerings to include financial services (such as providing direct consumer loans), selling credit data to third parties and services that enable offline commerce through technology (through, for example, the use of quick response (QR) codes). Traditional financial service providers are increasingly expanding their digital payment offerings to complement their offline offerings (e.g., by offering “digital wallets” which offer consumers the ability to pay online and/or on mobile devices through a variety of payment methods).

In India, which is a key payments market for the Group, the shift to digital payments accelerated significantly after the Indian government announced a policy of demonetisation in November 2016. As at 2017, 190 million in India did not have a bank account and less than 10% of the Indian population used credit from the formal sector.²⁴ The Indian digital payment market is expected to increase tenfold from 2017 to 2027. The Indian government’s Digital India programme, one of its flagship programmes, aims to transform India into a digitally empowered society and knowledge economy. As part of that programme, the Indian government is promoting cashless transactions and converting India into a “less-cash society”, through various initiatives, including, recently, the Unified Payments Interface (UPI) and the Bharat Interface for Money (the Indian government’s payments application). These initiatives, however, predominantly cater for the banked population, while, in India, a significant portion of the population remains unbanked. Notwithstanding the Indian market structure, there has been a marked increase in the number of cashless transactions per person which has increased from 2.2 in 2014 to 18.0 in 2018.²⁵ This compares over the same period to a 100 times increase in user monthly data consumption per unique connection (from 86 megabytes to 8,320 megabytes) and a 2.5 times increase in total number of internet users (from 239 million to 560 million).²⁶ More mature peers in developed markets have been able to reach EBITDA margins of 30% to 45%.

Food Delivery

Online food delivery has rapidly been growing as a proportion of the total food delivery market but also growing the overall size of the market. Within the food delivery segment, the Group’s businesses and investments operate in more than 40 countries reaching 4 billion people, through the iFood, Delivery Hero, and Swiggy platforms.

According to Euromonitor, the online food total addressable market is expected to reach an estimated US\$331 billion by 2022.²⁷ Increased levels of internet penetration are expected to drive the online food market and its share of the global food services market.²⁸

In India and Brazil, delivery as percentage of food service is below developed market levels, standing at 2% and 6%, respectively in comparison of 10% and 12% respectively of U.S. and UK,²⁹ with even lower levels of online penetration (see the table below).

In order to address the supply gap in the Indian market and meet consumer demand, the major food delivery platforms in India, including Swiggy and Zomato, have been investing in “delivery-only kitchens”.

An increase in online and mobile engagement has been a key driver in the Group’s and its investments’ food delivery businesses’ growth. Food delivery has migrated from a local telephone-based service to an

²⁴ Source: World Bank, The Global Findex Database, 2017.

²⁵ Source: Euromonitor International Limited, Economics & Consumers.

²⁶ Source: McKinsey Global Institute.

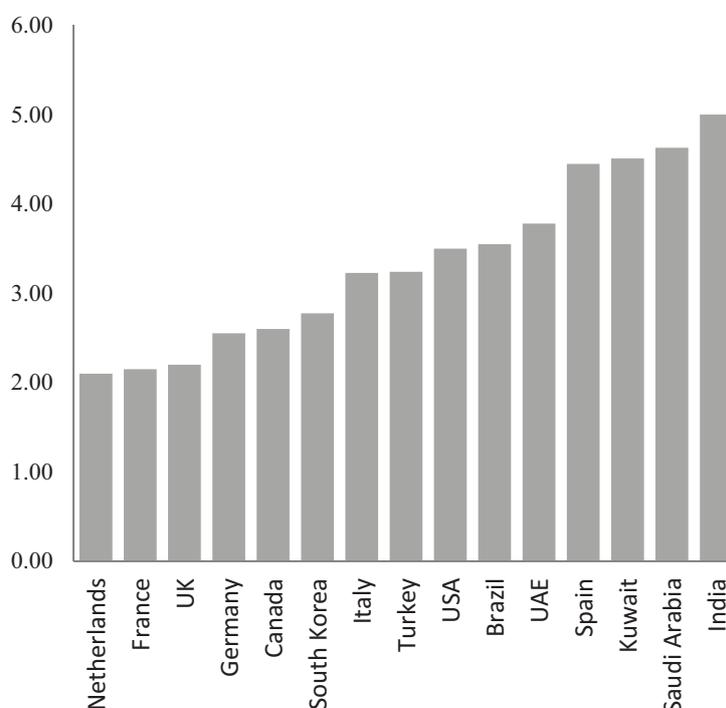
²⁷ Source: Euromonitor International Limited, Consumer Foodservice 2019 ed.

²⁸ Source: Online food total addressable market 2022E per Euromonitor International Limited, Consumer Foodservice 2019 ed.

²⁹ Source: Statista, Inc., dataset, 2019.

ever more online and mobile offering. Increasing population migration to urban centers in many of the Group's markets and changing overall customer lifestyles with a preference for convenience and growing disposable incomes, present an upside to the markets in which the Group operates.

The Group believes its market exposure will help it benefit from the overall growth trends. In particular, in India the average household orders one meal per year versus 13 in the United States and 10 in the United Kingdom, indicating potential headroom for growth. Moreover, average order-value statistics suggest that food delivery in growth markets enjoys better unit economics, as average order values are higher relative to wage costs against the United States or United Kingdom:



Over the last fiscal year, the Group's operations grew almost 60%. More mature peers in developed markets have been able to reach EBITDA margins of 25% to 40%.³⁰

	United States	United Kingdom	Brazil	India
Population (million) (2018).....	328	66	211	1,321
2019 – 2022 foodservice spend CAGR ⁽ⁱ⁾	3%	4%	5%	6%
Average order value (US\$) (2018) ⁽ⁱⁱ⁾	10	16	5	c. 1
Off-premise eating (2018) ⁽ⁱⁱⁱ⁾	49%	33%	18%	20%
Online percentage of food service spend (2018) ^(iv)	8%	9%	2%	3%

Source: broker research.

- (i) FY 2019 – FY 2022 foodservice spend CAGR is based off of Euromonitor estimates in US\$ terms.
- (ii) Average order value is defined as total foodservices spend divided by total foodservice transactions.
- (iii) Off-premise eating is defined as foodservice spend that is eaten off premise.
- (iv) Online percentage of food service spend is defined as total foodservice spend divided by total foodservice spend.

Trends in the Group's Key Regions

The Group operates in several key growing markets including China, India, Russia, Central and Eastern Europe, North America, Latin America, Southeast Asia, the Middle East and Africa. In each of these markets, the Group expects increasing internet penetration, driven by GDP growth, to drive ecommerce. According to the International Monetary Fund, China and India are expected to respectively have the world's largest and second largest economy on a purchasing power parity basis by 2030. China's and India's

³⁰ Based on Delivery Hero (Middle East and North Africa), GrubHub, Inc., Just Eat (United Kingdom), and Takeaway.com (Netherlands) EBITDA margin for their respective fiscal years ended 31 December 2018.

economies are forecast to grow to US\$64.2 trillion and US\$46.3 trillion respectively ahead of the United States at US\$31.0 trillion by 2030.

Ecommerce composed 5.5% of total retail in the United States and 7.5% in the United Kingdom in 2010, according to Euromonitor.³¹ In 2018, ecommerce comprised 13.7% and 17.0%, respectively, of total retail in those markets according to Euromonitor.³² Many of the countries in which the Group operates, especially in Central and Eastern Europe and India, currently exhibit low levels of ecommerce penetration, similar to those of the United States and United Kingdom in 2010, and could experience significant growth in the next decade. India, a key market for the Group, currently spends US\$1 per capita on internet advertising spend, which is below developed market spend of US\$138 per capita.³³ In India, the Group believes that the underlying market drivers represent significant growth potential. The Group believes that the differential between India and developed markets illustrates the ecommerce growth opportunity.

The table below shows certain key economic indicators and internet data for some of the Group's key geographical markets, as well as for the United States as of 2018.

	China	Russia	India	Brazil	Mexico	Poland	CEE ⁽ⁱⁱⁱ⁾	Latin America ^(iv)	United States
	(% , unless otherwise indicated)								
Economic data									
Population (million) ⁽ⁱ⁾	1,390	145	1,321	211	125	38	290	310	328
CAGR (2018-2023E) ⁽ⁱ⁾	0.3	(0.1)	1.0	0.7	0.9	—	(0.3)	1.0	0.6
GDP at purchasing power parity (International \$, million) ⁽ⁱ⁾	25,280	4,199	10,521	3,366	2,570	1,213	6,354	4,336	20,494
CAGR 2013-18E ⁽ⁱ⁾	8.6%	2.1%	9.4%	0.8%	4.3%	5.7%	5.1%	2.1%	4.1%
CAGR 2018-23E ⁽ⁱ⁾	7.8%	3.5%	9.4%	4.3%	4.2%	5.1%	4.6%	4.5%	3.8%
Internet data									
Internet Penetration ⁽ⁱ⁾	58.0%	78.5%	38.4%	70.5%	67.1%	78.5%	69.0%	61.2%	77.8%
CAGR Internet Users (2018-2023E) ⁽ⁱ⁾	5.5	2.5	9.8	4.1	4.8	2.3	3.9	5.4	3.1
Smartphone Possession (% of households) ⁽ⁱ⁾	81.8	69.9	56	72.1	54.4	64.8	61.4	57	85.1
Absolute Growth Percentage Points (2018-2023E) ⁽ⁱ⁾	11.1	17.8	24.6	16.8	20.0	20.8	20.7	20.2	7.9
Ecommerce (% total retail) ⁽ⁱ⁾	23.6%	5.0%	5.2%	7.2%	3.9%	6.8%	5.3%	4.0%	13.7%
Ecommerce Forecast Growth (2018-2023E) ^{(i) (v)}	14.7%	17.1%	22.9%	15.3%	25.2%	13.8%	18.0%	23.7%	15.7%

(i) Source: Euromonitor International Limited, Economies & Consumers, Retailing 2019ed, retail value RSP excluding VAT.

(ii) Source: Zenith Optimedia Limited, dataset, 2018.

(iii) Represents Central and Eastern Europe, excluding Poland and Russia.

(iv) Represents Latin America, excluding Brazil and Mexico.

(v) Retail value sales US\$ in current (nominal) terms, fixed 2018 exchange rates.

Regulation

Overview

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 competition and antitrust, foreign investment, labour, data protection and privacy, telecommunications, online content, intellectual property (See "*Intellectual Property*"), corporate, tax, financial services, money laundering, anti-bribery and anti-corruption and sanctions and export controls.

In particular, privacy-related regulation of the internet is becoming more prevalent across countries and such regulations could interfere with the Group's collection and use of personal information as part of its business operations. In particular, the GDPR came into force on 25 May 2018 and imposes new and stricter conditions and limitations on the processing, use and transmission of personal data. Further, other jurisdictions have recently proposed or enacted laws similar to the GDPR, which would impose additional

³¹ Source: Euromonitor International Limited, Economies & Consumers, Retailing 2019ed, retail value RSP excluding VAT. Ecommerce is the sale of consumer goods to the general public via the internet. Consumers purchase goods online through the web platform. Sales data is attributed to the country where the consumer is based. Ecommerce excludes: C2C and B2B sales; sales of motor vehicles, motorcycles and vehicle parts; tickets for events (sports, music concerts etc.) and travel; sales of travel and holidays and revenue generated by online gambling sites.

³² Source: Euromonitor International Limited, Economies & Consumers, Retailing 2019ed, retail value RSP excluding VAT.

³³ Developed markets average includes France, Germany, the Italian Republic, the Kingdom of Norway, the Kingdom of Sweden, the Republic of Austria, the Republic of Ireland, Spain, the United Kingdom and the United States.

restrictions on the Group's operations, such as the Brazilian Data Protection law, which will come into force in 2020, and the recently proposed Indian Personal Data Protection Bill.

In addition, the Group's Payments and Fintech segment, including PayU and its 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 businesses operate in many jurisdictions that either currently, or will in the future, implement regulations for payment processing, including regulations in respect of authorisation, approval, licensing or permission to carry out business.

Recent, Significant Regulatory Developments

There are several legislative and regulatory proposals and other initiatives underway in jurisdictions in which the Group operates that could materially impact how it conducts its business, including, for example, the Foreign Investment Law in China, various developments in certain Russian legislation, revisions to India's regulations on foreign direct investment in the ecommerce sector and the proposed EU Platform-to-Business Relationships Regulation.

- In China, on 15 March 2019, the National People's Congress of the PRC approved the Foreign Investment Law, which will come into effect on 1 January 2020 and replace the existing laws regulating foreign investment in China, namely, the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Contractual Joint Ventures Law of the PRC and the Wholly Foreign-owned Enterprise Law of the PRC, together with their implementation rules and ancillary regulations. The existing foreign-invested enterprises established prior to the effective date of the Foreign Investment Law may keep their corporate forms within five years from 1 January 2020. The implementing rules of the Foreign Investment Law will be stipulated separately by the Chinese State Council. Pursuant to the Foreign Investment Law, "foreign investors" means natural person, enterprise, or other organisation of a foreign country, "foreign-invested enterprises" (**FIEs**) means any enterprise established under Chinese law that is wholly or partially invested by foreign investors, and "foreign investment" means any foreign investor's direct or indirect investment in mainland China, including: (i) establishing FIEs in mainland China either individually or jointly with other investors; (ii) acquiring stock shares, stock equity, property shares, other similar interests in Chinese domestic enterprises; (iii) investing in new projects in mainland China either individually or jointly with other investors; and (iv) making investment through other means provided by laws, administrative regulations, or Chinese State Council provisions. In addition, foreign investors or FIEs are required to file information reports and foreign investment shall be subject to the national security review.

The investment activities in China by foreign investors are principally governed by the Guidance Catalogue of Industries for Foreign Investment (the **Catalogue**), which was promulgated and has been amended from time to time and most recently in June 2017 (with effect from 28 July 2017), by the Chinese Ministry of Commerce (the **MOFCOM**) and the National Development and Reform Commission of the PRC (the **NDRC**). The Catalogue divides industries into three categories: encouraged, restricted and prohibited. Industries not listed in the Catalogue are generally permitted to receive foreign investment unless specifically restricted by other PRC regulations. Establishment of wholly foreign-owned enterprises is generally permitted in encouraged industries. Some restricted industries are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects may also be subject to higher-level government approvals. Foreign investors are not allowed to invest in industries in the prohibited category. The Catalogue was amended by the Special Management Measures (Negative List) for the Access of Foreign Investment (2018) (the **2018 Foreign Investment Negative List**), which was jointly promulgated by the MOFCOM and the NDRC on 28 June 2018 and became effective on 28 July 2018. Pursuant to the 2018 Foreign Investment Negative List, foreign investment access in the telecommunications services industry shall be limited to areas committed to be liberalised by the Chinese government upon its accession to the World Trade Organisation. Specifically, foreign investment access shall not exceed 50% in the industry of value-added telecommunications services (excluding ecommerce). The 2018 Foreign Investment Negative List also provides that foreign investment is prohibited in businesses that operate in internet news information services, online publication services, online audio-visual

programme services, online cultural businesses (excluding music services) and internet public information release services (services already liberalised by China under its commitments upon accession to the World Trade Organisation shall be excluded from the foregoing services).

See “*Risk Factors—Risks relating to the Group’s business—The market price of Tencent’s shares will have a material impact on the market price of the N Ordinary Shares*”, “*Risk Factors—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 financial, operational or reputational loss due to non-compliance*” and “*Risk Factors—Risks relating to the Group’s business—Uncertainties exist with respect to the newly enacted 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*”.

- In Russia:

- on 1 January 2019, the Russian law on aggregators of goods and services came into force: (i) introducing obligations on an aggregator of goods and services to disclose certain information on the relevant goods and services being sold as well as on the seller of the goods and the provider of the services; and (ii) determining the liability of such aggregator, seller and provider for causing damages to a buyer of such goods or services by providing false information to the buyer. In April 2018, the Russian Government approved new rules on information storage, providing further details on the obligations imposed on the operators of websites to temporarily store various kinds of information (including text messages of internet users, voice information, images, sounds, video and other messages). On 18 March 2019, new legislation came into force banning media outlets from publishing “*fake news*” and information showing “*disrespect*” to government bodies. On 1 May 2019, the Russian President signed the draft law aimed at increasing Russian “*sovereignty*” over Russia’s internet (Runet) (the **Sovereign Internet Law**). Most of the changes introduced by the Sovereign Internet Law will become effective on 1 November 2019. The Sovereign Internet Law seeks to route Russian web traffic and data through points controlled by state authorities and proposes building a national domain name system to allow the internet to continue functioning even if Russia is cut off from foreign infrastructure.

See “*Risk Factors—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 financial, operational or reputational loss due to non-compliance*” and “*Risk Factors—Legal and regulatory risks—Government regulation of the internet and ecommerce sectors is evolving and may change in a manner that is unfavourable to the Group’s business, and the Group may fail to comply with applicable regulations due to the complexity of the regulatory field*”.

- on 26 July 2019, the Russian State Duma introduced the SIR Bill which, if adopted, will enter into force on 1 January 2020. The SIR Bill, if enacted, would, among others, implement a new regulatory framework for the designation of certain websites, webpages, information systems and/or software as SIRs and also restrict the ability of foreign shareholders and their affiliates to, individually or collectively, own, manage or control, directly or indirectly, more than 20% of the shares in an entity that owns a SIR. Under this restriction, a foreign shareholder owning, managing or controlling more than 20% of an entity owning a SIR may only exercise its voting rights with respect to the shares not exceeding the 20% threshold. In the event that a SIR is designated as non-compliant with these restrictions, the SIR will be prohibited from advertising the SIR or its services, and using the SIR to advertise services or products on the internet for Russian consumers. In addition, the SIR Bill restricts the transfer of information about Russian users collected through the SIR to foreign legal entities or Russian entities with more than 20% foreign shareholding without the prior approval of a special Governmental Commission. This data may also not be processed by data bases located outside of Russia. The SIR Bill remains in the early stages of the legislative process and 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.

See “*Risk Factors—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 financial, operational or reputational loss*”.

due to non-compliance”, “Risk Factors—Risks relating to markets in which the Group operates—Certain of the Group’s business interests in Russia are to subject legal risk and uncertainty due to the introduction of the SIR Bill” and “Risk Factors—Risks relating to markets in which the Group operates—Limitations and restrictions on foreign investment and ownership could hinder and limit the Group’s operations or cause financial loss”.

- In India, foreign investors are permitted to invest in a “*marketplace based model of ecommerce*”. Foreign investors are, however, not permitted to invest in an “*inventory based model of ecommerce*”. On 1 February 2019, India’s regulations on foreign direct investment in the ecommerce sector were amended, among other things, to provide that: (i) an ecommerce entity providing a marketplace may not exercise ownership or control over the inventory. The inventory of a vendor will be deemed to be controlled by the ecommerce entity if more than 25% of its sales are from the ecommerce entity, or its group companies; (ii) an entity that has equity participation in the ecommerce entity or its group companies, or where its inventory is controlled by the ecommerce entity or its group companies, is not permitted to sell products on the marketplace; (iii) ecommerce entities may not directly or indirectly influence the sale price of goods and services and shall “*maintain [a] level playing field*”. Services will be required to be provided by the ecommerce entity or other entities in which the ecommerce entity has a direct or indirect equity participation or common control, to vendors on the platform at an “*arm’s length and in a fair and non-discriminatory manner*”; and (iv) an ecommerce entity may not require a vendor to sell any products exclusively on its platform.

See “*Risk Factors—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 financial, operational or reputational loss due to non-compliance*” and “*Risk Factors—Risks relating to markets in which the Group operates—Limitations and restrictions on foreign investment and ownership could hinder and limit the Group’s operations or cause financial loss*”.

- In the European Union, the European Commission committed in June 2017, as part of its mid-term review of the Digital Single Market Strategy to “*prepare actions to address the issues of unfair contractual clauses and trading practices identified in platform-to-business relationships, including by exploring dispute resolution, fair practices criteria and transparency*”. The EU Platform-to-Business Relationships Regulation was published in the Official Journal of the EU on 11 July 2019 and will apply from 12 July 2020. The EU Platform-to-Business Relationships Regulation will apply to: (i) “*online intermediation services*”, which: (a) include online ecommerce marketplaces, including collaborative ones on which business users are active, online software applications services, such as application; stores, and online social media services, irrespective of the technology used to provide such services; and (b) exclude, among others, online payment services; as well as; (ii) “*providers of online search engines*”. Persons falling within these definitions will come under the scope of the EU Platform-to-Business Relationships Regulation if they offer their services to business users and corporate website users that have their place of establishment or residence in the EU and through those online intermediation services or online search engines, offer goods or services to consumers located in the EU, irrespective of the place of establishment or residence of the providers of those services and irrespective of the law otherwise applicable. The EU Platform-to-Business Relationships Regulation covers three key elements: transparency; redress and monitoring. The EU Platform-to-Business Relationships Regulation complements EU competition law, and does not replace it.

The EU Platform-to-Business Relationships Regulation aims to increase transparency around the terms and conditions applicable to business users, including by requiring online platform intermediaries to: (i) ensure their terms and conditions are drafted in plain and intelligible language and are easily available, and set out, among other things, the grounds for decisions to suspend or terminate or impose any other kind of restriction upon the provision of their online intermediation services; (ii) provide a business user who is subject to delisting or suspension with a statement of reasons for the delisting or suspension prior to such, or at the time of, the delisting or suspension; (iii) comply with a notice period of at least 15 days prior to implementing any change to terms and conditions applicable to business users, provided that proportionate longer notice periods should be given where the terms and conditions require business users to make technical or commercial adaptations in order to comply with the change; (iv) set out the main parameters determining search results rankings and, an explanation of any possibility for business users to actively influence ranking against remuneration, as well as an explanation of the relative effects thereof; (v) include in their terms and conditions a description of the technical and contractual access, or absence thereof, of business users to any

personal data or other data, or both, which business users or consumers provide for the use of the online intermediation services concerned or which are generated through the provision of those services; (vi) describe in their terms and conditions any differentiated treatment which they give, or might give, in relation to goods or services offered to consumers through those online intermediation services by, on the one hand, either that provider itself or any business users which that provider controls and, on the other hand, other business users; and (vii) to the extent providers of online intermediation services restrict the ability of business users to offer the same goods and services to consumers under different conditions through other means than through those services, publish grounds for that restriction in their terms and conditions and make those grounds easily available to the public. Under the EU Platform-to-Business Relationships Regulation, platforms will be required to set up easily accessible, internal complaint handling systems for business users that are free of charge and nominate two or more mediators with whom they are willing to engage in out of court settlements. In addition, the EU Platform-to-Business Relationships Regulation envisages the right for representative organisations or associations to bring court proceedings before competent national courts in the EU where the action is brought, to stop or prohibit any non-compliance by providers of online intermediation services or by providers of online search engines, with the relevant requirements laid down in the EU Platform-to-Business Relationships Regulation.

See *“Risk Factors—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 financial, operational or reputational loss due to non-compliance”* and *“Risk Factors—Legal and regulatory risks—Government regulation of the internet and ecommerce sectors is evolving and may change in a manner that is unfavourable to the Group’s business, and the Group may fail to comply with applicable regulations due to the complexity of the regulatory field”*.

- In the European Union, PSD2 aims to cater for emerging and innovative payment services, including internet and mobile payments. It sets out to ensure a more secure environment for payments, in particular for those using remote channels. Member States were required to transpose PSD2 into national law by 13 January 2018. A key element of PSD2 is that it promotes the emergence of new parties, such as Third Party Payment Providers (**TPPs**) and requires account servicing payment providers, such as banks, to provide appropriate access and information to these new parties to enable customers to access the new and innovative services TPPs will provide (including the payment initiation service and the account information service). Other elements of PSD2 include increased security for online payment transactions, increased consumer rights when sending monies outside Europe and in non-EU currencies and 15-day complaint handling timescales for any complaint relating to the rights and obligations covered by PSD2.

In addition, PSD2 provides for regulatory oversight in Member States of direct or indirect acquisitions or sales of share capital or voting rights in payment institutions (which would include PayU Poland) where these results in certain thresholds of share capital or voting rights of such payment institution being reached or exceeded. In Poland, the Polish Payment Services Act requires an investor to notify the Polish Financial Supervision Authority (the **Polish FSA**) in advance of its intention to acquire, directly or indirectly, share capital or voting rights in a Polish payment institution if the acquisition would result in the 20%, 30% or 50% threshold of share capital or voting rights in the payment institution being reached or exceeded. The Polish FSA may oppose the intended acquisition, for example, if it is justified by the prudent and sound management of the payment institution, possible detrimental influence of the investor on the payment institution, or due to an investor’s financial condition. An acquisition of share capital or voting rights in a payment institution in breach of these provisions would, among other things, prohibit the investor from exercising such voting rights, or require the investor to dispose of such share capital or voting rights.

See *“Risk Factors—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 financial, operational or reputational loss due to non-compliance”*.

- In the United States, CFIUS is an interagency committee that includes representatives from various U.S. departments and agencies. The objective of CFIUS is to protect the national security of the United States by reviewing transactions involving foreign investment in the United States and determining the effect of such transactions. Under the U.S. Defense Production Act of 1950, as amended, by several later pieces of legislation, including most recently FIRRMA (the **DPA**), the president of the U.S. is authorised to prohibit or suspend acquisitions, mergers or takeovers by foreign persons engaged in interstate commerce in the U.S. if the president determines that there is credible

evidence that such foreign persons in exercising control of such acquired persons might take action that threatens to impair the national security of the U.S. and that other provisions of existing law do not provide adequate authority to protect national security. On 10 October 2018, the U.S. Department of Treasury (as the chair of CFIUS) issued interim regulations implementing certain provisions of FIRRMA (the **FIRRMA Interim Regulations**). The FIRRMA Interim Regulations initiate a pilot program which, among other changes: (i) expands CFIUS jurisdiction to cover not only controlling investments, but also certain non-controlling investments involving foreign persons in U.S. businesses that utilise “critical technologies” in activity within or aimed at one of 27 designated industry sectors (the **Pilot Program Industries**); and (ii) requires mandatory declarations advising CFIUS of foreign investments in such businesses (the **CFIUS Pilot Program**). The DPA and the FIRRMA Interim Regulations define “critical technologies” broadly, in a manner which includes “emerging and foundational technologies”, such as, artificial intelligence and machine learning technology, and the definition may expand over time, as the U.S. government has the authority to further develop the set of technologies of interest through rulemaking. The FIRRMA Interim Regulations took effect on 10 November 2018 and are expected to remain in effect until such time as they are replaced by final regulations implementing the DPA.

Under the CFIUS Pilot Program, a party or parties to certain transactions that: (i) close after 10 November 2018; (ii) involve certain types of investments by foreign persons in U.S. businesses; (iii) involve a U.S. business that produces, designs, tests, manufactures, fabricates or develops one or more critical technologies; and (iv) involves a U.S. business that utilises those critical technologies in activity within or aimed at one or more Pilot Program Industries, must submit a declaration with basic information regarding such transaction with CFIUS (unless the parties elect to file a notice instead) prior to the closing of the investment. Filing a declaration with CFIUS will be mandatory in such cases when the foreign party in the transaction will gain control of the U.S. target business as a result of such transaction or when the transaction grants the foreign party: (i) a board seat, observer, or nomination right; (ii) access to non-public information about the target’s technologies; or (iii) any other form of involvement in the use, development, acquisition, or release of the target’s critical technologies. Declarations shall be filed no later than 45 days before the closing of the transaction. Once a declaration has been accepted by CFIUS, CFIUS has 30 calendar days to determine its subsequent action, including approving the transaction, requesting that the parties file a notice or initiating a unilateral review, among others. The Company may be deemed a “foreign person” under the DPA, and, as a result, certain of the Group’s investments in the United States may be subject to mandatory declaration or review processes if, and to the extent that, the U.S. target business produces, designs, tests, manufactures, fabricates or develops critical technology.

See “Risk Factors—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 financial, operational or reputational loss due to non-compliance” and “Risk Factors—Risks relating to markets in which the Group operates—Limitations and restrictions on foreign investment and ownership could hinder and limit the Group’s operations or cause financial loss”.

Intellectual Property

The Group regards its proprietary products, brands, domain names, trade names, copyrights, trademarks, trade secrets, confidential information, business data and similar intellectual property as important components of its businesses. The Group believes that it has taken appropriate available legal steps to protect its intellectual property. It has trademarks (registered and pending) in jurisdictions where it conducts, or may in the future conduct, business. Some of its major trademarks include OLX and PayU. Many top-level and country-specific internet domain name registrations have also been secured, both for protection of current business operations and for strategic or defensive purposes. The Group owns, or has been assigned or licensed, the rights to several patents and patent applications in various jurisdictions relating to its proprietary technology. There are no patents or licences, industrial, commercial or financial contracts, or new manufacturing processes that are material to the business or profitability of the Group, taken as a whole. The Group does not undertake research and development activities that are material to the Group.

Property, Plant and Equipment

Real Property

The following table provides an overview of the Group's existing or planned material tangible fixed assets, including leased properties.

Real Estate	Extent	Use
Strada Italia 1-7, 77040 Chiajna, Romania ⁽ⁱ⁾	120,000m ²	Warehouse for eMAG's Etail business (Warehouse)

(i) This property is owned by the Group.

In the ordinary course of its business, the Group leases various office properties for business purposes.

Other than first ranking mortgages over the Warehouse's land and land lease rights in favour of certain lenders, there are no major encumbrances on any of the Group's material tangible fixed assets.

Sustainability and Environmental Matters

The Group's sustainable development policy includes the responsibility for corporate citizenship. The sustainable development policy sets out the Groups' policies in interacting with, and responding to, the opportunities and challenges presented by the economy, society and environment in which it and its businesses operate. The Group's purpose, values and strategy are aligned with the principles of responsible corporate citizenship.

The Group's facilities and operations are subject to various environmental laws and regulations in the jurisdictions in which it operates. These environmental requirements may include, among other things, certain pollution control measures or limits for solid and hazardous wastes, water discharges and air emissions, and may require businesses whose activities have an impact on the environment to obtain permits regulating those activities. Non-compliance with such control measures and permits may result in criminal or civil penalties, damage claims, an obligation to remediate any environmental damages (including damages to natural resources) and/or an obligation to take reasonable measures to prevent pollution or degradation of the environment from occurring, continuing or recurring.

Material Agreements

Other than the agreements referred to in "*Operating and Financial Review—Description of Indebtedness*" and the share placing agreement discussed below, there are no agreements (other than agreements entered into in the ordinary course of business) that have been entered into by 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 as disclosed in this Prospectus in relation to the Group's share-based incentives (see "*Management, Employees and Corporate Governance—Group Longer-term Incentives*") and Directors' interests in Shares (see "*Management, Employees and Corporate Governance—Interests of Directors and Senior Management*"), 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 and remain, in any respect, outstanding or underperformed.

Share Placing Agreement

On 23 March 2018, MIH TC Holdings Limited (**MIH TC Holdings**), a subsidiary of the Group, entered into a share placing agreement with Citigroup Global Markets Limited, Merrill Lynch International and Morgan Stanley & Co. International plc (the **Placing Agents**) in relation to the sale of a number of shares in Tencent to purchasers procured by the Placing Agents (using their best efforts), as agent for MIH TC Holdings. In the share placing agreement, MIH TC Holdings and the Placing Agents made certain representations and warranties and gave certain undertakings that are customary for a transaction of that nature.

Legal and Arbitration Proceedings

At any given time, the Company 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.

Neither the Company nor any of its Group companies are, or during the 12 months preceding the date of this Prospectus have been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) that may have, or have had in the recent past, significant effects on the Company and/or the Group's financial position or profitability.

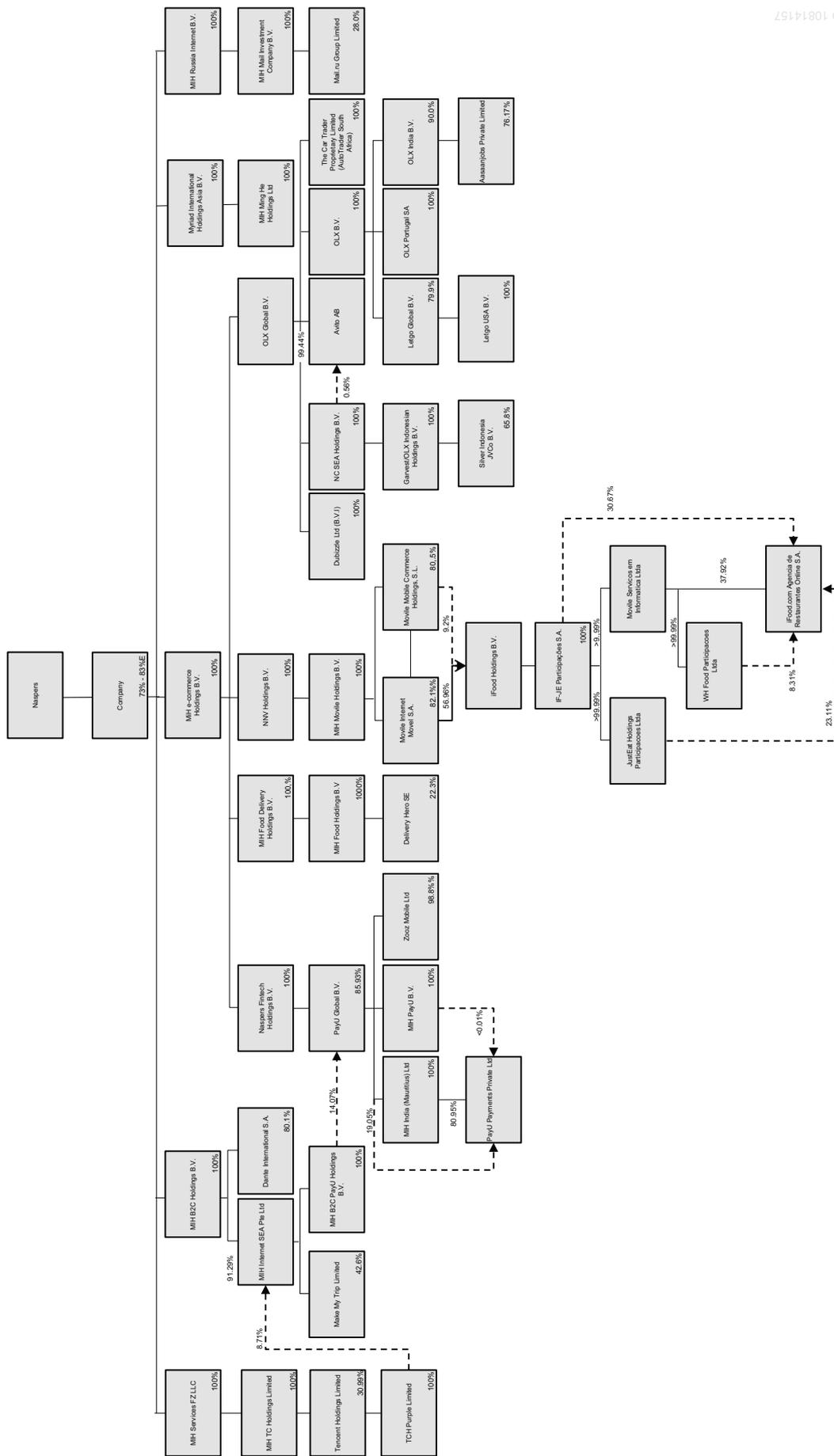
Governmental Policies or Factors that Materially Affect the Company's Operations

As at the date of this Prospectus, the Company is not aware of any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or, other than as disclosed in "*Business—Regulation—Recent, Significant Regulatory Developments*", could materially affect, directly or indirectly, the Company's operations.

Group Structure

The Company is a holding company with no material, direct business operations. The principal assets of the Company are the equity interests it directly holds in its subsidiaries, associated companies and joint ventures. As a result, the Company is dependent on dividends and other payments from its subsidiaries, associated companies and joint ventures to generate the funds necessary to meet its financial obligations, including the future payment of dividends, if any. See "*Dividends and Dividend Policy*". On the Capital Restructure Date, the Company will remain part of the Naspers Group. See "*Shareholder Structure and Related Party Transactions—Shareholder Structure*".

The diagram below depicts, in simplified form, the legal structure of the Company and certain of its significant subsidiaries and, associated companies and joint ventures as at the date of this Prospectus. Various intermediate holding companies have been omitted for presentation purposes.



Significant Subsidiaries, Associates and Joint Ventures

Significant Subsidiaries

The following table provides an overview of the Group's significant subsidiaries as at the date of this Prospectus. These significant subsidiaries are directly and indirectly held through intermediate holding companies.

Significant Subsidiary	Effective Interest ⁽ⁱ⁾	Business	Jurisdiction of Incorporation
Corporate Companies			
MIH B2C Holdings B.V.....	100	Investment holding	The Netherlands
MIH Ming He Holdings Limited	100	Investment holding	Hong Kong
Operating Companies			
Classifieds			
Avito AB	100	Classifieds	Sweden
Dubizzle Limited (BVI).....	100	Classifieds	UAE
Letgo Global B.V. (previously Ambatana Holdings B.V.).....	79.9	Classifieds	The Netherlands
Letgo USA B.V	79.9	Classifieds	The Netherlands
OLX B.V.....	100	Classifieds	The Netherlands
OLX Portugal S.A.....	100	Classifieds	Portugal
Silver Indonesia JVCo B.V. (OLX Indonesia)	65.8	Classifieds	The Netherlands
The Car Trader Proprietary Limited (AutoTrader South Africa).....	100	Classifieds	South Africa
Aasaanjobs Private Limited	68.6	Classifieds	India
Payments and Fintech			
PayU Global B.V	98.8	Payments platform	The Netherlands
PayU Payments Private Limited.....	98.8	Payments platform	India
Red Dot Payment Pte. Ltd.....	72.4	Payments platform	Singapore
Wibmo Inc.....	100	Payments platform	State of California, United States
Zooz Mobile Limited	98.8	Payments platform	Israel
Food Delivery			
iFood.com Agência de Restaurantes Online S.A.(iFood) ⁽ⁱⁱ⁾	54.8	Food delivery	Brazil
Etail			
Dante International S.A. (eMAG).....	80.1	Retail and ecommerce	Romania
Other			
Mobile Internet Movel S.A.....	82.1	Mobile value-added services	Brazil

(i) The percentage interest shown is the financial effective interest, after disregarding the interests of the Group's equity-compensation plans treated as treasury shares and taking into account retention options. The Group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(ii) The Group has an interest in this entity through its interest in Movile.

Significant Associates

The following table provides an overview of the Group's significant associated companies as at the date of this Prospectus. These significant associated companies are directly and indirectly held through intermediate holding companies.

Significant Associate	Effective Interest⁽ⁱ⁾	Business	Jurisdiction of Incorporation
Listed Companies			
Delivery Hero SE.....	22.3	Food delivery	Germany
Mail.ru Group Limited.....	28.0	Internet-related services	British Virgin Islands
MakeMyTrip Limited.....	42.6	Online travel	Mauritius
Tencent Holdings Limited.....	30.99	Internet-related services	Cayman Islands
Unlisted Companies			
Classifieds			
Frontier Car Group, Inc.....	35.7	Classifieds	State of Delaware, United States
Carousell Pte. Ltd.....	12	Classifieds	Singapore
Payments and Fintech			
Remitly, Inc.....	21.8	Digital money transfer	State of Delaware, United States
Primrose Hill Ventures Private Limited (ZestMoney).....	20.8	Consumer lending	India
PaySense Private Limited ⁽ⁱⁱ⁾	21.4	Consumer lending	India
Food Delivery			
Bundl Technologies Private Limited (Swiggy).....	38.8	Food delivery	India
Other Ecommerce			
Brainly, Inc.....	42.7	Educational technology	State of Delaware, United States
Honor Technology, Inc. (Honor).....	16.5	Home-care	San Francisco, United States
Human Dx Limited.....	22.6	Health technology	State of Delaware, United States
Meesho Inc.....	12.1	Online marketplace	State of Delaware, United States
Ryzac, Inc. (Codecademy).....	21.1	Educational technology	State of Delaware, United States
SimilarWeb Limited.....	24.2	Internet metrics	Israel
SoloLearn Inc. ⁽ⁱⁱ⁾	15.3	Educational technology	State of Delaware, United States
Think & Learn Private Limited (BYJU's) ⁽ⁱⁱ⁾ ...	11.6	Educational technology	India
Udemy, Inc. ⁽ⁱⁱ⁾	12.7	Educational technology	State of Delaware, United States

(i) The percentage interest shown is the financial effective interest, after disregarding the interests of the Group's equity-compensation plans treated as treasury shares and taking into account retention options. The Group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(ii) The Group accounts for its interest as an investment in an associate on account of its representation on the board of directors of the company.

Significant Joint Ventures

The following table provides an overview of the Group's significant joint ventures as at the date of this Prospectus. These significant associated companies are directly and indirectly held through intermediate holding companies.

Significant Joint Venture	Effective Interest⁽ⁱ⁾	Business	Jurisdiction of Incorporation
El Cocinero a Cuerda S.L. (SinDelantal) ⁽ⁱⁱ⁾	27.3	Food delivery	Spain
Silver Brazil JVCo B.V. (OLX Brazil).....	50.0	Classifieds	The Netherlands

(i) The percentage interest shown is the financial effective interest, after disregarding the interests of the Group's equity-compensation plans treated as treasury shares and taking into account retention options. The Group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

(ii) The Group participates in this entity through its interest in Mobile.

Principal Investments

The Company's principal investments in the three months ended 30 June 2019, FY 2019, FY 2018 and FY 2017 are set out in *“Operating and Financial Review—Significant acquisitions, disposals and investments”*, read with *“—Significant Subsidiaries, Associates and Joint Ventures”*. As at the date of this Prospectus, other than the Ctrip Transaction, the Company does not have any principal investments that are in progress and its Board has not made firm commitments for any principal future investments.

Tencent Structure Contracts

The Group's investment in Tencent is subject to Chinese regulations which restrict foreign ownership of companies that provide value-added telecommunications services and other related services in China. See *“Risk Factors—Risks relating to the Group's business—The market price of Tencent's shares will have a material impact on the market price of the N Ordinary Shares”*. As foreign-invested enterprises, Tencent and its wholly foreign-owned enterprises (the **WFOEs**) do not have licences to provide internet content or information services and other value-added telecommunications services. Accordingly, Tencent conducts its value-added telecommunications businesses mainly through the Structure Contracts entered into with certain OpCos, which are licensed to provide internet information services and other value-added telecommunications services and operate those services. As a result of the Structure Contracts, Tencent is able to effectively control, and recognise and receive substantially all the economic benefit of the business and operations of the OpCos. In summary, the Structure Contracts provide Tencent through the WFOEs with, among other things:

- the right to receive the cash received by the OpCos from their operations which is surplus to their requirements, having regard to their forecast working capital needs, capital expenditure and other short-term anticipated expenditure through various commercial arrangements;
- the right to ensure that the WFOEs own the valuable assets of the business through the assignment to the WFOEs of the principal present and future intellectual property rights of the OpCos without making any payment; and
- the right to control the management and financial and operating policies of the OpCos.

The Structure Contracts establish a cooperation committee (the **Cooperation Committee**) for each of the OpCos to oversee its business and operations. The Cooperation Committees advise, supervise and effectively control the businesses of the OpCos. Through the Cooperation Committees, the WFOEs advise, supervise and effectively control the business of the OpCos. Under the Structure Contracts, the Cooperation Committees adopt internal governance mechanisms for payments, expenditure and expenditure-related contracts, which are required to be consistent throughout the Tencent group and can be amended only by the board of directors of Tencent, and any such amendment applies to all members of the Tencent group.

The Structure Contracts also effectively transfer from the OpCos to the WFOEs all of the cash that is surplus to the requirements of the OpCos, primarily in the form of fees paid for the WFOE's provision of certain technology and information services to the OpCos under the Structure Contracts. The Cooperation Committee determines and adjusts periodically the fees to be paid by the OpCos to the WFOEs to ensure that all such surplus cash of the OpCos is transferred to the WFOEs.

These arrangements, taken as a whole, permit the results and financial condition of the OpCos to be consolidated with Tencent as if they were subsidiaries of Tencent and that the economic benefit of their businesses flows to Tencent and the WFOEs.

For additional information regarding the Structure Contracts, including the associated risks, see *“Risk Factors—Risks relating to the Group's business—The market price of Tencent's shares will have a material impact on the market price of the N Ordinary Shares”*, *“—Risks relating to markets in which the Group operates—Uncertainties exist with respect to the newly enacted 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”* and *“Business—Regulation—Recent, Significant Regulatory Developments”*. In addition, prospective investors are encouraged to review the information made available by Tencent. See *“Important Information—Tencent Public Disclosures”*.

CAPITALISATION AND INDEBTEDNESS

The tables below set out the Group’s capitalisation and indebtedness as of 30 June 2019, on an actual basis (based on its unaudited but reviewed combined statement of financial position as of 30 June 2019), without material adjustment.

The information set out in the table below should be read in conjunction with, and is qualified by reference to, “*Operating and Financial Review*” and the Combined Carve-out Financial Statements included as an annex to this Prospectus.

The following table shows the Group’s capitalisation on a combined basis as of 30 June 2019.

Capitalisation (unaudited)

	As of 30 June 2019
	<i>(in US\$ millions)</i>
Total current debt (maturity up to one year).....	55
of which: secured ⁽¹⁾	43
of which: unsecured ⁽²⁾	12
Total non-current debt (excluding current portion of long-term debt).....	3,390
of which: secured ⁽³⁾	189
of which: unsecured ⁽⁴⁾	3,201
Equity:	
Share capital.....	7,861
Legal reserves ⁽⁵⁾	(926)
Other reserves ⁽⁶⁾	21,287
Non-controlling interests.....	226
Total equity	28,448
Total Capitalisation	31,893

- (1) Total of secured interest-bearing loans and other liabilities 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 Prosus 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 June 2019.

The following table shows the Group's indebtedness as of 30 June 2019.

Indebtedness (unaudited)

	As of 30 June 2019
	<i>(in US\$ millions)</i>
Liquidity:	
Cash ⁽¹⁾	1,140
Cash equivalents ⁽²⁾	1,272
Short-term investments ⁽³⁾	6,739
Total liquidity	9,151
Current financial receivables	—
Current financial debt (maturity up to one year):	
Current debt.....	—
Current portion of non-current debt ⁽⁴⁾	55
Other current financial debt	—
Total current financial debt	55
Net current financial indebtedness	(9,096)
Non-current financial indebtedness:	
Non-current bank loans ⁽⁵⁾	203
Bonds issued ⁽⁶⁾	3,187
Other non-current loans	—
Non-current financial indebtedness	3,390
Net financial indebtedness	(5,706)

(1) Cash, net of bank overdrafts, and freely available balances at banks and on hand.

(2) Short-term bank deposits – banks with a remaining maturity of three months or less.

(3) Money-market investments with maturity dates of between three and 12 months.

(4) Total of interest-bearing and non-interest-bearing loans and other liabilities and capitalised finance leases with a remaining maturity up to one year.

(5) Total due to banks with a remaining maturity of more than one year.

(6) Total of publicly traded bonds, net of unamortised loan costs, with a remaining maturity of more than one year.

There has been no material change in the Group's indebtedness since 30 June 2019.

As of 30 June 2019, the Group had undrawn available credit under the Revolving Credit Facility of US\$2.5 billion. See “*Operating and Financial Review—Description of Indebtedness—Revolving Credit Facility*”.

The Group does not have any indirect or contingent indebtedness other than the off-balance sheet arrangements and contractual obligations presented in “*Operating and Financial Review—Description of Indebtedness—Off-Balance Sheet Arrangements, Contractual Obligations*”.

SELECTED FINANCIAL AND OTHER INFORMATION

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

In addition, the selected combined 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”, “Operating and Financial Review” and “Risk Factors”.

Combined Income Statement

	Three months ended 30 June		Fiscal Year		
	2019	2018	2019	2018	2017
	<i>(US\$ in millions)</i>				
Revenue from contracts with customers	677	589	2,654	2,303	1,835
Cost of providing services and sale of goods.	(407)	(324)	(1,596)	(1,384)	(1,136)
Selling, general and administration expenses .	(389)	(322)	(1,436)	(1,507)	(1,492)
Other gains/(losses)—net.....	—	(17)	(40)	(27)	(25)
Operating loss	(119)	(74)	(418)	(615)	(818)
Interest income.....	62	58	265	34	17
Interest expense.....	(51)	(50)	(200)	(195)	(200)
Other finance income/(costs)—net	17	66	114	(330)	(638)
Share of equity-accounted results.....	1,486	1,091	3,409	3,292	1,857
(Impairment)/reversal of impairment of equity-accounted investments	—	—	(88)	(46)	1
Dilution (losses)/gains on equity-accounted investments.....	1	(18)	(182)	9,224	(119)
Net gains on acquisitions and disposals.....	20	—	1,610	30	249
Profit before taxation	1,416	1,073	4,510	11,394	349
Taxation.....	(21)	(5)	(258)	(39)	(11)
Profit from continuing operations	1,395	1,068	4,252	11,355	338
Profit from discontinued operations	—	—	—	—	2,062
Profit for the period	1,395	1,068	4,252	11,355	2,400
Attributable to:					
Equity holders of the group	1,432	1,082	4,307	11,485	2,606
Non-controlling interests	(37)	(14)	(55)	(130)	(206)

Summary of Combined Statement of Financial Position

	As at	As at 31 March		
	30 June	2019	2018	2017
		<i>(US\$ in millions)</i>		
ASSETS				
Goodwill and other intangible assets	2,894	2,829	3,139	3,185
Investments in associates	20,360	19,746	16,669	10,691
Investments in joint ventures.....	86	95	74	66
Other non-current assets	424	211	205	160
Inventory	136	148	139	94
Trade receivables	153	135	169	138
Other current assets	999	531	376	339
Short-term investments	6,739	7,037	—	—
Cash and cash equivalents.....	2,422	2,131	10,809	3,209
TOTAL ASSETS.....	34,213	32,863	31,580	17,882
EQUITY AND LIABILITIES				
Total equity	28,448	27,249	24,356	11,573
Total debt ⁽¹⁾	3,455	3,274	3,285	2,921
Other non-current liabilities ⁽²⁾	803	790	1,244	1,978
Trade payables	208	244	290	254
Other current liabilities.....	1,299	1,306	2,405	1,156
TOTAL EQUITY AND LIABILITIES	34,213	32,863	31,580	17,882

(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 of Combined Statement of Cash Flows

	Three months ended 30 June		Fiscal Year		
	2019	2018	2019	2018	2017
	<i>(US\$ in millions)</i>				
Cash from operations.....	(163)	(76)	(269)	(311)	(353)
Dividends received from investments and equity-accounted companies.....	377	332	343	248	192
Cash generated from/(utilised in) operating activities.....	214	256	74	(63)	(161)
Interest income received.....	56	38	198	33	17
Interest costs paid.....	(7)	(7)	(202)	(180)	(201)
Taxation paid.....	(20)	(23)	(94)	(69)	(61)
Net cash generated from/(utilised in) operating activities.....	243	264	(24)	(279)	(406)
Net capital expenditures.....	(21)	(23)	(100)	(69)	(53)
Investments in subsidiaries, associates, joint ventures and businesses.....	(58)	(144)	(1,399)	(1,980)	(397)
Disposals of subsidiaries, associates and businesses.....	5	4	1,985	9,901	3,358
Acquisition of short-term investments ⁽¹⁾	306	(7,559)	(6,967)	—	—
Other investment activities.....	(20)	(7)	(2)	(6)	(3)
Net cash (utilised in)/generated from investing activities.....	212	(7,729)	(6,483)	7,846	2,905
Net (repayment of)/proceeds from loans, related party funding and capitalised leases....	(198)	(165)	(563)	135	(226)
Transactions relating to existing subsidiaries..	97	7	(1,600)	(98)	(103)
Non-controlling shareholder transactions.....	(52)	(203)	58	(43)	102
Dividends paid by subsidiaries to non-controlling shareholders.....	—	(16)	(16)	(25)	(15)
Other financing activities.....	(2)	1	—	—	—
Net cash utilised in financing activities.....	(155)	(376)	(2,121)	(31)	(242)
Net movement in cash and cash equivalents	300	(7,841)	(8,628)	7,536	2,257

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

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 ⁽¹⁾	
	Three months ended 30 June		Three months ended 30 June	
	2019	2018	2019	2018
	<i>(US\$ in millions)</i>			
Ecommerce comprising:				
—Classifieds	284	189	16	20
—Payments and Fintech.....	96	87	(19)	(13)
—Food Delivery	129	88	(131)	(16)
—Etail	249	371	(11)	(36)
—Travel	51	66	(7)	(7)
—Other	72	54	(41)	(34)
Total Ecommerce	881	855	(193)	(86)
Social and Internet Platforms comprising:				
—Tencent	3,890	3,548	1,196	1,143
—Mail.ru.....	76	69	—	7
Total Social and Internet Platforms	3,966	3,617	1,196	1,150
Corporate services.....	—	(1)	(3)	(5)
Total (economic interest)	4,847	4,471	1,000	1,059
Less:				
Equity-accounted investments	(4,170)	(3,882)	(1,086)	(1,086)
Total from combined group.....	677	589	(86)	(27)

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

	Revenue			Trading (loss)/profit ⁽¹⁾		
	Fiscal Year			Fiscal Year		
	2019	2018	2017	2019	2018	2017
	<i>(US\$ in millions)</i>					
Ecommerce comprising:						
—Classifieds.....	857	614	419	(6)	(120)	(330)
—Payments and Fintech	360	294	186	(43)	(64)	(69)
—Food Delivery.....	377	166	54	(171)	(30)	5
—Etail	1,529	1,838	1,594	(101)	(223)	(258)
—Travel.....	234	211	123	(37)	(61)	(88)
—Other.....	239	219	175	(194)	(154)	(126)
Total Ecommerce.....	3,596	3,342	2,551	(552)	(652)	(866)
Social and Internet Platforms comprising:						
—Tencent	14,457	12,024	7,506	3,929	3,675	2,701
—Mail.ru	287	257	186	23	51	60
Total Social and Internet Platforms	14,744	12,281	7,692	3,952	3,726	2,761
Corporate services.....	—	—	—	(17)	(14)	(14)
Total (economic interest)	18,340	15,623	10,243	3,383	3,060	1,881
Less:						
Equity-accounted investments....	(15,686)	(13,320)	(8,375)	(3,683)	(3,446)	(2,560)
Eliminations ⁽²⁾	—	—	(33)	—	—	—
Total from continuing operations	2,654	2,303	1,835	(300)	(386)	(679)
Total from discontinued operations ⁽³⁾	—	—	327	—	—	137
Total from combined group	2,654	2,303	2,162	(300)	(386)	(542)

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

(2) Eliminations include inter-group transactions with the discontinued operation.

(3) The Group disposed of its marketplace business (Allegro and Ceneo) in January 2017.

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 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. 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.

	Three months ended 30 June		Fiscal Year		
	2019	2018	2019	2018	2017
	<i>(US\$ in millions)</i>				
Trading loss from continuing operations ⁽¹⁾	(86)	(27)	(300)	(386)	(679)
EBITDA from continuing operations ⁽²⁾	(66)	(19)	(259)	(354)	(651)
Headline earnings ⁽³⁾	1,014	1,121	3,808	1,784	448
Core headline earnings ⁽³⁾	740	762	3,094	2,524	1,499
Free cash flow ⁽⁴⁾	168	209	(121)	(202)	(403)
Total segmental revenue (economic interest) ⁽⁵⁾	4,847	4,471	18,340	15,623	10,537
Total segmental trading profit/(loss) (economic interest) ⁽⁵⁾	1,000	1,059	3,383	3,060	2,018

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

	Three months ended 30 June		Fiscal Year		
	2019	2018	2019	2018	2017
	<i>(US\$ in millions)</i>				
Operating loss from continuing operations	(119)	(74)	(418)	(615)	(818)
Adjusted for:					
Amortisation of other intangible assets ^(a)	22	21	78	89	96
Other losses/(gains)—net ^(b)	—	17	40	27	25
Capitalised costs	(2)	—	—	—	—
Retention option expenses	4	2	11	7	1
Share-based incentives calculated on a cash-settled basis ^(c)	5	3	(35)	77	(6)
Share-based incentives settled in Naspers N Ordinary Shares ^(d)	4	4	24	29	23
Trading loss from continuing operations	(86)	(27)	(300)	(386)	(679)

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

(b) Other losses/(gains)-net comprise profits and losses on the disposal of assets, impairment losses related to goodwill, other intangible assets and other assets, and fair-value adjustments on financial instruments. See note 24 of the Annual Combined Carve-out Financial Statements 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 the Naspers 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 Naspers Group, where the Group has no obligation to settle the awards with participants, i.e. they are settled by Naspers.

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

	Three months ended 30 June		Fiscal Year		
	2019	2018	2019	2018	2017
	<i>(US\$ in millions)</i>				
Operating loss from continuing operations	(119)	(74)	(418)	(615)	(818)
Depreciation	18	6	25	24	20
Amortisation	24	23	94	97	104
Other losses/(gains) – net ^(a)	—	17	40	27	25
Capitalised lease costs	(2)	—	—	—	—
Retention option expenses	4	2	11	7	1
Share-based incentives calculated on a cash-settled basis ^(b)	5	3	(35)	77	(6)
Share-based incentives settled in Naspers N Ordinary Shares ^(c)	4	4	24	29	23
EBITDA from continuing operations	(66)	(19)	(259)	(354)	(651)

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

(b) Represents the differential between share-based incentives valued on a cash-settled basis at Group level and share-based incentives valued on an equity-settled basis at the 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 Naspers Group, where the Group 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 equity holders of the Group to headline earnings and core headline earnings for the periods indicated. The adjustments below are made to the earnings of combined businesses controlled by the Group as well as the earnings of associates and joint ventures, to the extent that the information is available.

	Three months ended 30 June		Fiscal Year		
	2019	2018	2019	2018	2017
<i>(US\$ in millions, unless otherwise indicated)</i>					
Net profit attributable to equity holders of the Group	1,432	1,082	4,307	11,485	2,606
Adjusted for (net of tax effects and non-controlling interests):					
Impairment of property, plant and equipment and other assets.....	—	17	—	24	—
Impairment of goodwill and other intangible assets	—	—	5	3	24
Loss/(profit) on sale of assets.....	—	1	1	1	1
(Gains)/losses on disposal of investments...	(25)	(2)	(1,442)	(41)	(1,979)
(Profit)/loss on sale of investments held by equity-accounted investments.....	(515)	(115)	672	(528)	(110)
Dilution (gains)/losses on equity-accounted investments.....	(1)	18	182	(9,206)	119
(Gain)/loss recognised on loss of control transactions.....	(17)	—	—	—	(212)
Remeasurements of previously held interest	—	—	(5)	—	—
Impairment/(reversal of impairment) of equity-accounted investments.....	140	120	88	46	(1)
Headline earnings	1,014	1,121	3,808	1,784	448
Adjusted for:					
Equity-settled share-based payment expenses	125	93	517	443	252
Amortisation of other intangible assets ^(a)	75	55	283	175	165
Fair-value adjustments and currency translation differences ^(b)	(503)	(510)	(1,545)	100	590
Retention option expense	4	2	11	6	1
Business combination transaction costs ^(c) ...	25	1	20	16	43
Core headline earnings	740	762	3,094	2,524	1,499
Headline earnings per share (US cents)^(d)...	62	—	234	—	—

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

(d) Headline earnings per share for FY 2019 is calculated by dividing headline earnings by the estimated weighted average number of N Ordinary Shares for FY 2019. For purposes of the calculation of headline earnings per share, the weighted average number of N Ordinary Shares for FY 2019 is deemed to be 1,625 million N Ordinary Shares, representing the estimated number of issued N Ordinary Shares on the Settlement Date.

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

	Three months ended		Fiscal Year		
	30 June		2019	2018	2017
	2019	2018	2019	2018	2017
	<i>(US\$ in millions)</i>				
Cash from continuing operations ^(a)	(163)	(76)	(269)	(311)	(480)
Capital expenditure ^(b)	(21)	(23)	(100)	(69)	(53)
Capital finance leases repaid, gross.....	(5)	(1)	(1)	(1)	(1)
Dividends received	377	332	343	248	192
Taxation paid	(20)	(23)	(94)	(69)	(61)
Free cash flow	168	209	(121)	(202)	(403)

(a) Cash from continuing operations for FY 2017 excludes cash from discontinued operations. See note 31 of the Annual Combined Carve-out Financial Statements.

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

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

Three months ended 30 June							
2018 A	2019 B ⁽¹⁾	2019 C ⁽²⁾	2019 D	2019 E ⁽³⁾	2019 F ⁽⁴⁾	2019 G ⁽⁵⁾	2019 H ⁽⁶⁾
IFRS	Group composition disposal adjustment	Group composition acquisition adjustment	Foreign currency adjustment	Local currency growth	IFRS	Local currency growth	IFRS year- on-year growth
(US\$ in millions)				Unaudited		(% Change)	
Segmental revenue							
(economic interest)							
Ecommerce comprising:							
—Classifieds	189	—	45	(9)	59	284	50%
—Payments and Fintech.....	87	(1)	1	(7)	16	96	10%
—Food Delivery	88	(3)	9	(6)	41	129	47%
—Etail	371	(138)	—	(16)	32	249	(33)%
—Travel	66	(17)	—	—	2	51	(23)%
—Other	54	(1)	11	(3)	11	72	33%
Total Ecommerce	855	(160)	66	(41)	161	881	3%
Social and Internet							
Platforms comprising:							
—Tencent	3,548	(7)	—	(228)	577	3,890	10%
—Mail.ru	69	(1)	—	(2)	10	76	10%
Total Social and Internet Platforms	3,617	(8)	—	(230)	587	3,966	10%
Corporate and intergroup eliminations	(1)	—	—	—	1	—	(100)%
Total segmental revenue (economic interest)	4,471	(168)	66	(271)	749	4,847	8%
Segmental trading profit/ (loss) (economic interest)							
Ecommerce comprising:							
—Classifieds	20	—	(8)	4	—	16	(20)%
—Payments and Fintech.....	(13)	1	(3)	—	(4)	(19)	(46)%
—Food Delivery	(16)	—	(21)	4	(98)	(131)	(719)%
—Etail	(36)	25	—	1	(1)	(11)	69%
—Travel	(7)	(2)	—	—	2	(7)	—%
—Other	(34)	—	(2)	—	(5)	(41)	(21)%
Total Ecommerce	(86)	24	(34)	9	(106)	(193)	(124)%
Social and Internet							
Platforms comprising:							
—Tencent	1,143	(2)	—	(70)	125	1,196	5%
—Mail.ru	7	—	—	—	(7)	—	(100)%
Total Social and Internet Platforms	1,150	(2)	—	(70)	118	1,196	4%
Corporate services	(5)	—	—	1	1	(3)	40%
Total segmental trading loss (economic interest)	1,059	22	(34)	(60)	11	1,000	(6)%

(1) 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).

(2) 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).

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

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

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

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

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

(1) 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).

(2) 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).

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

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

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

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

	Fiscal Year							
	2017 A	2018 B ⁽¹⁾ Group composition disposal adjustment	2018 C ⁽²⁾ Group composition acquisition adjustment	2018 D Foreign currency adjustment	2018 E ⁽³⁾ Local currency growth	2018 F ⁽⁴⁾ IFRS	2018 G ⁽⁵⁾ Local currency growth % change	2018 H ⁽⁶⁾ IFRS year- on-year growth
	(US\$ in millions)						(% Change)	
Segmental revenue from continuing operations (economic interest)	Unaudited							
Ecommerce comprising:								
—Classifieds	419	—	14	38	143	614	34%	47%
—Payments and Fintech.....	186	(8)	39	11	66	294	37%	58%
—Food Delivery	54	—	49	—	63	166	117%	207%
—Etail	1,594	(338)	56	89	437	1,838	35%	15%
—Travel	123	55	(20)	2	51	211	29%	72%
—Other	175	(10)	23	2	29	219	18%	25%
Total Ecommerce	2,551	(301)	161	142	789	3,342	35%	31%
Social and Internet Platforms comprising:								
—Tencent.....	7,506	(40)	—	341	4,217	12,024	56%	60%
—Mail.ru	186	(5)	23	20	33	257	18%	38%
Total Social and Internet Platforms.....	7,692	(45)	23	361	4,250	12,281	56%	60%
Corporate	—	—	—	—	—	—	—	—
Revenue from continuing operations (economic interest)	10,243	(346)	184	503	5,039	15,623	51%	53%
Revenue from discontinued operations (economic interest)	327	(327)	—	—	—	—	—%	(100)%
Eliminations	(33)	—	—	—	33	—	—	(100)%
Total segmental revenue (economic interest).....	10,537	(673)	184	503	5,072	15,623	51%	48%
Trading profit/(loss) from continuing operations (economic interest)								
Ecommerce comprising:								
—Classifieds	(330)	—	(3)	18	195	(120)	59%	64%
—Payments and Fintech.....	(69)	(9)	(17)	(2)	33	(64)	42%	7%
—Food Delivery	5	—	(23)	1	(13)	(30)	(260)%	(700)%
—Etail	(258)	79	(14)	(7)	(23)	(223)	(13)%	14%
—Travel	(88)	6	4	—	17	(61)	21%	31%
—Other	(126)	(1)	(9)	1	(19)	(154)	(15)%	(22)%
Total Ecommerce	(866)	75	(62)	11	190	(652)	24%	25%
Social and Internet Platforms comprising:								
—Tencent.....	2,701	(15)	—	87	902	3,675	34%	36%
—Mail.ru	60	(2)	(7)	5	(5)	51	(9)%	(15)%
Total Social and Internet Platforms.....	2,761	(17)	(7)	92	897	3,726	33%	35%
Corporate services	(14)	—	—	—	—	(14)	—%	—%
Trading profit/(loss) from continuing operations (economic interest).....	1,881	58	(69)	103	1,087	3,060	56%	63%
Trading Profit from discontinued operations (economic interest)	137	(137)	—	—	—	—	—%	(100)%
Total segmental trading profit/(loss) (economic interest).....	2,018	(79)	(69)	103	1,087	3,060	56%	52%

(1) 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).

- (2) 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).
- (3) Growth in local currency excluding disposal and acquisition adjustments.
- (4) Represents the sum of columns A, B, C, D and E in the respective table above.
- (5) Represents the result of dividing column E by the sum of columns A and B and multiplying the result by 100.
- (6) Represents the result of dividing column F by A, subtracting 1 and then multiplying the result by 100.

OPERATING AND FINANCIAL REVIEW

The following is a discussion of the results of operations and financial condition of the Group for the three-month periods ended 30 June 2019 and 30 June 2018 and FY 2019, FY 2018 and FY 2017. This discussion should be read in conjunction with the Combined Carve-out Financial Statements, including the notes thereto starting on page F-1 of this Prospectus. This discussion should also be read in conjunction with the information relating to the business of the Group included elsewhere in this Prospectus in “*Important Information—Presentation of Financial and Other Information*”, “*Business*” and “*Selected Financial and Other Information*”.

Overview

The Group is a global consumer internet group and one of the largest technology investors in the world. The Group operates across a variety of platforms and geographies. The Group’s principal operations are in internet services, including classifieds, payments and fintech, food delivery, social networking and other internet-based value-added services. 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, invests in and adapts proven business models for the high-growth markets it is focusing on, and leverages its skills and 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 several markets that present above-average growth opportunities (when compared to mature markets) due to their economic growth, 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 each of its businesses to differentiate itself from its 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 its interests in Classifieds, Payments and Fintech, Food Delivery, Etail, Travel and other Ecommerce (including Ventures)), Social and Internet Platforms (which comprises its interests in Tencent and Mail.ru Group) and Corporate (relating to its Group-level corporate services and treasury function).

In the three months ended 30 June 2019, the Group’s results continued to grow in line with management’s expectations. Compared to the same period from the previous year, Ecommerce revenues grew by 3% (or 23% in local currency, excluding acquisitions and disposals), while the Group’s share of revenues from Tencent and Mail.ru grew by 10% each (or 16% and 15%, respectively, in local currency, excluding acquisitions and disposals). Revenue in the Classifieds business increased by 50% in the same period as the business continued to scale its convenient transaction model (see “*Business—Segments—Ecommerce—Classifieds*”). The Payments and Fintech business grew its Indian payments and credit revenue and the Food Delivery business’s growth accelerated following increased investment. The Group’s expansion across its key segments during the period was underpinned by improving cash flow from its core profitable businesses and a strong cash position with cash and cash equivalents of US\$9,151 million (including short-term investments of US\$6,739 million) and undrawn available credit facilities of US\$2,557 million as of 30 June 2019. See “*Operating and Financial Review—Comparison of Results of Operations for the three months ended 30 June 2019 and the three months ended 30 June 2018*” for further information.

Presentation of Financial Information

The Combined Carve-out Financial Statements included in this Prospectus are special purpose financial statements prepared for the purposes of the Admissions and have been prepared in accordance with IFRS. As the Group did not operate as a stand-alone entity in the past, the Combined Carve-out Financial Statements may not be indicative of the Group’s future performance and what its combined results of operations, financial position and cash flows would have been, had the Group operated as a separate entity from the Naspers Group for the periods presented. The Group combines the international ecommerce and internet business as reported by the Naspers Group with certain other assets and liabilities and income and expense, which are directly attributed to the Group from the Naspers Corporate segment. For further information, see “*Important Information—Presentation of Financial and Other Information—Historical Financial Data*”.

Throughout this “*Operating and Financial Review*”, the Group accounts for associate and joint venture investments under the equity method. References to “revenue from the combined Group” or “trading profit from the combined Group” 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. The Group refers to revenue 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. For further information, see “*Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs—Economic interest*”.

The Group applies certain adjustments to the segmental revenue reported in the Combined Carve-out Financial Statements to present the growth in such metrics in local currency, excluding the effects of changes in the composition of the Group. Such underlying adjustments provide a view of the Company’s underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in the composition of the Group on its results. Such adjustments are referred to herein as “Growth in local currency, excluding acquisitions and disposals”. See “*Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs*”.

Unless otherwise stated, the annual information included in this “*Operating and Financial Review*” is based on the Combined Carve-out Financial Statements. This section presents certain Non-IFRS Measures that are used by the Board to monitor the performance of the Group. For definitions of these Non-IFRS Measures and reconciliations to the most comparable IFRS measure, 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*”.

Current Trading and Recent Developments

The Group has continued to trade in line with management’s expectations since 31 March 2019, 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 to scale Food Delivery, 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.

In April 2019, the Group received a 12% effective interest in Carousell through the contribution of its subsidiary, Ntrepreneur Connections Enterprises Inc. (Sulit), as well as cash with an aggregate value of US\$56 million. Carousell is one of Asia’s largest and fastest-growing classifieds marketplaces. As part of the investment, the Group and Carousell will merge their operations in the Philippines. In July 2019, the Group also acquired 100% effective interest in Wibmo, a digital payment security and mobile payment solutions and processing services provider in India, for US\$66 million. In July 2019, the Group acquired an effective 73.3% effective interest in Red Dot Payment Private Limited, an online payment company providing premium payment solutions and expertise to merchants across Asia Pacific, for US\$46 million. Additionally, in July 2019, the group invested a further US\$25 million in its associated company Brainly, resulting in an effective interest of 42.7%. In August 2019, the Group invested US\$79.7 million in Meesho, a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. Following this investment, the Group holds a 12.1% effective interest (11.4% fully diluted) in Meesho. The Group will account for its interest as an investment in an associate.

Additionally, the Group announced that subject to customary closing conditions, including obtaining the requisite regulatory approvals, it will exchange its 43% interest in MakeMyTrip for an interest in Ctrip, a leading travel service provider for accommodation reservation, transportation ticketing, packaged tours and corporate travel management. Since its founding in 1999, Ctrip has become one of the best-known travel brands in China. Post the Ctrip Transaction, the Group will own approximately 6% of Ctrip’s outstanding ordinary shares. On 20 August 2019, the Competition Commission of India approved the Ctrip Transaction. As at the date of this Prospectus, some of the closing conditions have not been met. The Ctrip Transaction is expected to close in August 2019.

Key Factors Affecting Results of Operations

The Group believes that the following factors have had and will continue to have a material effect on its results of operations and financial condition. Because many of these factors are beyond its control and certain of these factors have historically been volatile, past performance is not necessarily indicative of future performance and it is difficult to predict future performance. In addition, important factors that could cause its actual results of operations or financial condition to differ materially from those expressed or implied below include, but are not limited to, the factors indicated in “*Risk Factors*”.

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 the Group’s non-current assets (FY 2019: 87%). The Group’s investments in associated companies and joint ventures have historically been accounted for under the equity method for purposes of the Combined Carve-out Financial Statements. However, for its 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 in the Group’s segmental review are presented on an economic-interest basis and are accordingly not directly comparable to the Group’s 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 73%, 77% and 79% of the Group’s revenue from continuing operations on an economic-interest basis and 144%, 120% and 116% of the Group’s trading profit from continuing operations on an economic-interest basis for FY 2017, FY 2018 and FY 2019, respectively. Tencent’s operational performance is impacted by various factors, including its ability to increase the engagement and monetisation of its user base, ability to develop, acquire and license content and applications, ability to maintain relationships with strategic partners, ability to innovate and compete effectively and regulatory developments affecting the internet and telecommunications industries. Changes in Tencent’s results would in turn have a significant impact on the Group’s results. For example, Tencent’s revenues increased by RMB75 billion, or 32%, from RMB238 billion in the year ended 31 December 2017 to RMB313 billion in the year ended 31 December 2018. As a result of this increase, the Group’s share of Tencent’s revenue grew by 20% from US\$12,024 million in FY 2018 to US\$14,457 million in FY 2019 and, consequently, the Group’s total revenue on an economic-interest basis grew by 17% from US\$15,623 million in FY 2018 to US\$18,340 million in FY 2019. Similarly, Tencent’s net profit for the year increased by RMB8 billion, or 11%, from RMB72 billion in the year ended 31 December 2017 to RMB80 billion in the year ended 31 December 2018. As a result of this increase, the Group’s share of Tencent’s trading profit grew by 7% from US\$3,675 million in FY 2018 to US\$3,929 million in FY 2019 and, consequently, the Group’s total trading profit on an economic-interest basis grew by 11% from US\$3,060 million in FY 2018 to US\$3,383 million in FY 2019.

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 its interest in Tencent), Euro, Brazilian Real, Russian Rouble, Indian Rupee, Polish Zloty and Romanian Lei. The Group is also exposed to the South African Rand, albeit to a lesser extent. 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) effect the comparability of the Group’s performance between financial periods. For example, the strengthening of the aforementioned currencies against the U.S. Dollar negatively affected the Group’s year-on-year trading profit performance by US\$48 million or 2% in FY 2019 and positively by US\$103 million or 5% in FY 2018.

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. Where the Group’s revenue is denominated in local currencies, a depreciation of the local currency against the U.S. Dollar would adversely affect its 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 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. See "Currency Policies" below.

While the Group's local businesses do not face material foreign exchange risk, the Group is reliant on cash extractions from its subsidiaries and associate investments to meet its central cash obligations, which includes 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 its interest in and annual dividend from Tencent), the Russian Rouble, the Polish Zloty and the Romanian Lei. As of 31 March 2019, 94% the Group's net cash reserves, including short-term investments, and 98% of the Group's debt obligations were denominated in U.S. Dollars and 2% of the Group's net cash reserves, including short-term investments, and 1% of the Group's debt obligations 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	Three months to 30 June 2019		Three months to 30 June 2018		FY 2019		FY 2018		FY 2017	
	At period- end	Average	At period- end	Average	At period- end	Average	At period- end	Average	At period- end	Average
South African Rand	0.0710	0.0698	0.0728	0.0771	0.0690	0.0723	0.0845	0.0774	0.0745	0.0713
Euro	1.1370	1.1252	1.1684	1.1816	1.1218	1.1537	1.2323	1.1786	1.0652	1.0940
Chinese Yuan Renminbi.....	0.1456	0.1463	0.1510	0.1549	0.1490	0.1485	0.1594	0.1517	0.1452	0.1483
Brazilian Real.....	0.2596	0.2565	0.2579	0.2701	0.2548	0.2622	0.3026	0.3097	0.3202	0.3061
Indian Rupee.....	0.0145	0.0144	0.0146	0.0148	0.0145	0.0143	0.0154	0.0155	0.0154	0.0149
Polish Zloty	0.2679	0.2634	0.2672	0.2742	0.2606	0.2684	0.2922	0.2794	0.2517	0.2516
Russian Rouble	0.0158	0.0155	0.0159	0.0159	0.0152	0.0153	0.0175	0.0173	0.0178	0.0159

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 its financial results between reporting periods. For example, in the three months ended 30 June 2019, the Group received a 9.7% effective interest in Carousell through the contribution of its subsidiary, Ntrepeneur Connections Enterprises Inc. (Sulit), as well as cash with an aggregate value of US\$56 million. The Group also acquired a 100% effective interest in Wibmo for US\$66 million as well as a 73.3% effective interest in Red Dot for US\$46 million. In FY 2019, the Group realised a gain on a disposal of US\$1.60 billion in connection with the sale of its 12% effective interest (11% fully diluted) in Flipkart Limited which had been accounted for as an investment in an associate. Additionally, in FY 2018, the Group disposed of approximately 6% of its interest in its associate, Tencent Holdings Limited, resulting in a dilution gain of US\$9.1 billion recognised in dilution gains/(losses) on equity-accounted investments following the transaction, resulting in a cumulative net dilution gain of US\$8.98 billion for the year on the Group's investment in Tencent. In addition, in FY 2018 the Group acquired a 23% effective interest (22% fully diluted) in Delivery Hero SE for an aggregate investment of US\$1.30 billion, which is accounted for as an investment in an associate. In FY 2017, the Group disposed of its interest in Allegro.pl and Ceneo.pl, realising a profit of US\$1.94 billion. In the aggregate, the Group invested US\$1.40 billion in acquisitions in FY 2019 (FY 2018: US\$1.98 billion and FY 2017: US\$397 million) and realised a total of US\$1.99 billion in disposals in FY 2019 (FY 2018: US\$9.90 billion and FY 2017: US\$3.36 billion). For an overview of the various significant acquisitions and disposals in FY 2019, FY 2018 and FY 2017, see note 2 of the Annual Combined Carve-out Financial Statements and note 10 of the Interim Combined Carve-out 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 businesses. 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. It 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. In FY 2017, significant marketing spend was incurred in the U.S. as letgo drove market share as well as in less established markets including Turkey. In FY 2018, marketing spend was reduced significantly as the business focused on product improvement and user retention.

In FY 2018, 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 is investing 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 empower 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 in the number of transactions processed.

In the Food Delivery business, brand awareness is an important driver of performance in terms of the number of orders, gross merchandise value 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, such as Latin America, marketing spend is increased to drive order volumes and expand the customer base.

Gross merchandise value in the Etail and Food Delivery businesses

GMV is a significant revenue driver in the Etail and Food Delivery businesses. See “*Important Information—Presentation of Financial and Other Information—Certain Operational Metrics*”.

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 21% (nominal growth of 15%) in FY 2019, compared to organic growth of 32% (nominal growth of 41%) in FY 2018 and organic growth of 34% (nominal growth of 30%) in FY 2017.

In the Food Delivery business, the number of orders placed and their frequency are key elements underpinning GMV. In addition, average customer basket sizes, 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 business, excluding Delivery Hero’s German operations, grew by 65% in FY 2019 compared to FY 2018 and grew by 65% in FY 2018 compared to FY 2017, including Delivery Hero’s German operations, compared to FY 2017. This represented aggregate growth of the Delivery Hero, Swiggy and iFood businesses. Similarly, cumulative annualised order volumes grew by 100% in FY 2019 compared to FY 2018 and grew by 65% in FY 2018 compared to FY 2017. Growth in FY 2019 was driven primarily by iFood and Swiggy. iFood’s order volumes and GMV grew by 107% and 84%, respectively, compared to FY 2018. Additionally, Delivery Hero’s order volumes grew by 49% during the year compared to FY 2018. Growth in FY 2018 was driven primarily by Delivery Hero, whose order volumes grew by 47%, and iFood, whose order volumes grew by 116% year-on-year. iFood, in particular grew GMV by 111% year-on-year. This growth is underpinned by increasing order volumes, average take rates and customer retention, making iFood the leading food delivery platform in Latin America. In Brazil, iFood saw the number of restaurants, order numbers and GMV more than doubling year-on-year.

Average monthly paying listers in the Classifieds business

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 business. 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 increase the number of average monthly paying listers. In FY 2019, the unique average monthly listers reached 27.1 million representing 24% growth compared to 21.8 million in FY 2018, which itself represented a 29% increase compared to FY 2017. The Classifieds business managed to convert this into 3.3 million average monthly paying listers in FY 2019 representing 33% growth compared to 2.5 million average monthly paying listers in FY 2018, which itself represented a 30% increase compared to FY 2017. This growth in average monthly paying listers was particularly driven by Avito in Russia, which grew by 15% year-on-year in FY 2018, and OLX Poland, which grew by 22% year-on-year in FY 2018. 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—Certain Operational Metrics*”.

Total payments value in the Payments and Fintech business

Revenue in the Payments and Fintech business 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. For a discussion of these trends, see “*Business—Market Trends*”. In FY 2019, average daily transaction increased by 44%, reaching 2.92 million compared to 2.04 million in FY 2018, which itself was a 28% increase compared to 1.6 million in FY 2017. This translated into a total payments value of US\$30.1 billion in FY 2019, a 18% increase compared to US\$25.5 billion in FY 2018, which itself was a 53% increase compared to US\$17 billion in FY 2017. See “*Important Information—Presentation of Financial and Other Information—Certain Operational Metrics*”.

Seasonal trends

The Group’s overall business experiences some seasonality. Certain of its major subsidiaries experience variations in business or economic activity depending on the season and around the occurrence of major events. More than half of the Group’s 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 Travel businesses. In addition, sales events such as Black Friday for eMAG have also resulted in significant increases in revenue. The Classifieds business follows similar trends as Etail. Within the Etail businesses, 56% of revenue was earned in the first half of the fiscal year in FY 2019 (FY 2018: 44%, FY 2017: 46%). Within the Classifieds businesses, 46% of revenue was earned in the first half of the fiscal year in FY 2019 (FY 2018: 46%, FY 2017: 45%). The payment platforms also track similar seasonal trends, with around 48% of revenue being earned in the first half of the fiscal year in FY 2019 (FY 2018: 43%, FY 2017: 45%). 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. During the periods under review, around a third of revenue in the Food Delivery business was earned in the first half of FY 2018 and FY 2017 fiscal years. In FY 2019, 48% of revenue from the Food Delivery business was earned in the first half of the year.

Discussion of Principal Operating Results Items

Revenue from contracts with customers

In the three months ended 30 June 2019, revenue of the combined Group comprised online sales of goods revenue (39%), classifieds listings revenue (27%), payment transaction commissions and fees revenue (12%), mobile and other content revenue (6%), food delivery revenue (8%), advertising revenue (3%) and other revenue (5%). In FY 2019, revenue of the combined Group comprised online sales of goods revenue (45%), classifieds listings revenue (23%), payment transaction commissions and fees revenue (12%), mobile and other content revenue (6%), food delivery revenue (6%), advertising revenue (4%) and other revenue (5%). The following provides a brief description of the Group’s revenue types:

- **online sales of goods revenue** includes revenue earned from the Group's online general retail, fashion and other Etail trading platforms as well as revenue from the sale of goods on the Group's Classifieds platforms. Online sales of goods revenue is primarily generated by the eMAG businesses in the Etail segment as well as Dubizzle 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 the Group's online general, automotive and retail classifieds platforms.
- **payment transactions and commissions fees** includes fees for facilitating transactions on the Group's 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 the Group's 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 and warehousing costs** include the costs of maintaining and hosting the online platforms and applications on which the Group hosts its online businesses, as well as the warehousing costs associated with the online Etail 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; and (iv) compensation received from third parties for impaired, lost or stolen property, plant and equipment.

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, Delivery Hero and MakeMyTrip, in which as of 30 June 2019 the Group held 31.1%, 28.0%, 22.3% and 42.6% interests, respectively. See "*Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs—Economic interest*".

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 three months ended 30 June 2019 and the three months ended 30 June 2018

The following discussion and analysis of the Group's results of operations for the three months ended 30 June 2019 and the three months ended 30 June 2018 has been derived from, should be read in conjunction with, and is qualified in its entirety by reference to the Combined Carve-out 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 three months ended 30 June 2019 and the three months ended 30 June 2018.

	Three months ended 30 June		
	2019	2018	% Change
	<i>(US\$ in millions)</i>		
Revenue from contracts with customers	677	589	15%
Operating expenses			
Cost of providing services and sale of goods.....	(407)	(324)	26%
Selling, general and administration expenses	(389)	(322)	21%
Other gains/(losses)—net.....	—	(17)	(100)%
Total operating expenses	(796)	(663)	20%
Operating loss	(119)	(74)	61%
Interest income.....	62	58	7%
Interest cost.....	(51)	(50)	2%
Other finance income/(costs)—net	17	66	(74)%
Share of equity-accounted results.....	1,486	1,091	36%
Dilution gains/(losses) on equity-accounted investments	1	(18)	106%
Net gains on acquisitions and disposals	20	—	100%
Profit before taxation	1,416	1,073	32%
Taxation.....	(21)	(5)	320%
Profit for the period	1,395	1,068	31%
Attributable to:			
Equity holders of the Group.....	1,432	1,082	32%
Non-controlling interests	(37)	(14)	164%

Revenue

Total revenue of the Group increased by US\$88 million, or 15%, from US\$589 million in the three months ended 30 June 2018 to US\$677 million in the three months ended 30 June 2019, primarily due to Classifieds, Food Delivery, Payments and Fintech and, to a lesser extent, Etail. This increase was partially offset by the Travel business which was disposed of during the previous period.

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 the combined group in their respective functional currencies and translated to U.S. Dollars. The weakening of certain currencies against the U.S. Dollar in the three months ended 30 June 2019 negatively affected the

Group's year-on-year performance by US\$39 million, or 7%, through the translation impact, specifically in the Classifieds, Payments and Fintech, Food Delivery and Etail businesses. Revenue growth expressed in local currency, excluding acquisitions and disposals, of 24% was achieved in the three months ended 30 June 2019.

Online sales of goods revenue represented 39% and 40% of the Group's total revenue in the three months ended 30 June 2019 and the three months ended 30 June 2018, respectively.

The table below presents revenue by type for the periods indicated.

	Three months ended 30 June		
	2019	2018	% Change
	<i>(US\$ in millions, except %s)</i>		
Revenue from contracts with customers by revenue type			
Online sales of goods revenue	263	235	12%
Classifieds listings revenue.....	185	146	27%
Payment transaction commissions and fees	84	72	17%
Mobile and other content revenue.....	44	36	22%
Food delivery revenue	55	36	53%
Travel package revenue and commissions	—	16	(100)%
Advertising revenue	23	24	(4)%
Comparison shopping commissions and fees	11	10	10%
Other revenue.....	12	14	(14)%
Total combined revenue from contracts with customers.....	677	589	15%

The following table sets out the Group's revenue by geographic market for the three months ended 30 June 2018 and the three months ended 30 June 2019, as well as each line item expressed as a percentage of total revenue of the combined Group for the period.

	Three months ended 30 June			
	2019		2018	
	<i>(US\$ in millions, except %s)</i>			
Africa	8	1%	6	1%
Europe.....	453	67%	410	70%
Asia.....	72	11%	51	9%
Latin America.....	123	18%	96	16%
Other	21	3%	26	4%
Total combined revenue from contracts with customers	677	100%	589	100%

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 “—Presentation of Financial and Other Information” above.

	Three months ended 30 June		
	2019	2018	Growth in local currency⁽¹⁾
Segmental revenue (economic interest)	<i>(US\$ in millions, except %s)</i>		
Ecommerce comprising:			
—Classifieds	284	189	31%
—Payments and Fintech.....	96	87	19%
—Food Delivery	129	88	48%
—Etail	249	371	14%
—Travel	51	66	4%
—Other	72	54	21%
Total Ecommerce	881	855	23%
Social and Internet Platforms comprising:			
—Tencent.....	3,890	3,548	16%
—Mail.ru.....	76	69	15%
Total Social and Internet Platforms	3,966	3,617	16%
Corporate services.....	—	(1)	(100)%
Total segmental revenue (economic interest).....	4,847	4,471	17%

(1) Represents change in local currency, excluding acquisitions and disposals. Refer to “Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs”.

Ecommerce segmental revenue

Total revenue in the Ecommerce segment on an economic interest basis increased by US\$26 million, or 3%, from US\$855 million in the three months ended 30 June 2018 to US\$881 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, revenue grew by 23%. Classifieds, Payments and Fintech and Food Delivery as well as Etail contributed meaningfully to the revenue growth as discussed further below. Various currency weaknesses relative to the U.S. Dollar had a negative US\$41 million, or 6%, effect on the U.S. Dollar reported revenue. The Group's associate and joint venture investments contributed US\$204 million to Ecommerce revenue in the three months ended 30 June 2019, compared to US\$265 million in the three months ended 30 June 2018. The decrease of US\$61 million, or 23%, was primarily due to disposal of Flipkart during FY 2019, resulting in a decreased contribution from the Etail business. This was partially offset by the strong growth performance from Delivery Hero and Swiggy in Food Delivery . See “—Presentation of Financial and Other Information” above.

Revenue in the Classifieds business increased by US\$95 million, or 50%, from US\$189 million in the three months ended 30 June 2018 to US\$284 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, revenue grew by 31%. Revenues from Avito, the Group's European markets as well as letgo contributed to revenue growth during the period. Frontier Car Group (which was acquired during FY 2019) also performed well. Avito increased revenue by 23% in local currency, to US\$95 million as investment in enhanced product features and an improved customer experience yielded stronger user engagement. OLX Brazil's revenues grew 24%, with a strong performance in its cars and real estate verticals, despite a slower macro-economic environment. Classifieds further expanded its convenient transaction models to increase its market presence and enhance the consumer experience. In the convenient transaction business model (see “Business—Segments—Ecommerce—Classifieds”), the Group takes a more proactive role in the end-to-end customer experience and therefore, revenue is recognised on a gross basis, i.e., the total value of the vehicle traded. The proportion of revenues derived from convenient transaction

models increased from 3% in the three months ended 30 June 2018 to 23% in the three months ended 30 June 2019 as these businesses scaled ahead of expectations.

Revenue in the Payments and Fintech business increased by US\$9 million, or 10%, from US\$87 million in the three months ended 30 June 2018 to US\$96 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, revenue grew by 19%. This increase was largely driven by the Group's payments service provider (PSP) and credit businesses, which delivered 25% growth during the period. This performance was partially offset by US\$3 million lower revenue reported by associated companies in the three months ended 30 June 2019 compared to the same period last year. Volumes processed in the PSP business reached US\$8.7 billion, representing growth of 29% in local currency representing over 270 million transactions. Among Payments and Fintech business' major markets, India was the fastest growing and accounted for approximately half of the volumes processed. The Payments and Fintech business continued to invest, and gain momentum, in building a credit platform in India. The Indian credit portfolio, including minority investments, ZestMoney and PaySense, continued to scale, reaching combined monthly loan issuances of over US\$25 million at 30 June 2019.

Revenue in the Food Delivery business increased by US\$41 million, or 47%, from US\$88 million in the three months ended 30 June 2018 to US\$129 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, revenue grew by 48%. The online food delivery services assets revenues continued to grow, with cumulative annualised GMV growth of 74% compared to the previous period. iFood remains the clear leader in Brazil and holds competitive positions in Mexico and Colombia. iFood's orders and GMV grew 122% and 94%, respectively, compared to the same period in the previous year. Swiggy's order volumes increased by 200% and GMV by 163% compared to the same period in the previous year. For its quarter ended 31 March 2019, Delivery Hero reported revenue growth from continuing operations of 93% to €267 million and GMV growth of 55% to €1.5 billion, with order volumes increasing by 55% to 125 million. Reported revenues were impacted by increased investment in customer acquisition costs (including discounts and other incentives), which are netted against revenue in terms of the Group's accounting policies. The increase in customer acquisition costs impacted revenue growth rates by 39%, in local currency, excluding acquisitions and disposals.

Revenue in the Etail business decreased by US\$122 million, or 33%, from US\$371 million in the three months ended 30 June 2018 to US\$249 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, revenue grew by 14%. The Group disposed of its interest in equity-accounted online retailer Flipkart during FY 2019 and, accordingly, the results for the three months ended 30 June 2018 include three months of Flipkart's results while the three months ended 30 June 2019 do not include any contribution from Flipkart. eMAG continued to outperform the market across its footprint, with GMV growing 21% despite macro-economic challenges in Romania.

Revenue in the Travel business decreased by US\$15 million, or 23%, from US\$66 million in the three months ended 30 June 2018 to US\$51 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, revenue grew by 4%. The Group concluded its disposal of Tek Travel Private Limited (TBO) in September 2018 and accordingly, the results for the three months ended 30 June 2019 do not include a contribution from this business. The Group's share of MakeMyTrip revenues remained stable during the period, with gross hotel bookings rising by 27% to US\$1.4 billion in local currency terms, standalone room nights increasing 27% and air-travel transactions growing by 10% compared to the same period of the previous year.

The other ecommerce businesses primarily comprise the Movile mobile content business, the investments in the Naspers Ventures associates and the Buscapé online-comparison shopping business. Revenue in the other ecommerce businesses increased by US\$18 million, or 33%, from US\$54 million in the three months ended 30 June 2018 to US\$72 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, revenue grew by 21%. Movile's mobile content business in Brazil recorded revenue growth of 22% in local currency, excluding acquisitions and disposals. The Naspers Ventures associates business saw positive revenue growth of 43% in local currency, excluding acquisitions and disposals, primarily as a result of the performance of SimilarWeb and Udemy. Buscapé recorded revenue growth of 20% in local currency, excluding acquisitions and disposals.

Social and Internet Platforms segmental revenue

On an economic interest basis, total revenue from the Social and Internet Platforms segment increased by US\$349 million, or 10%, from US\$3,617 million in the three months ended 30 June 2018 to US\$3,966 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, revenue grew by 16% during the period.

The Group's share of Tencent's revenue grew from US\$3,548 million in the three months ended 30 June 2018 to US\$3,890 million in the three months ended 30 June 2019. In local currency, the Group's share of Tencent's revenue grew by 16% during the period. Tencent's revenues for the three months ended 31 March 2019 reached RMB85.54 billion, an increase of 16% compared to the same period in the previous year. During the period, revenues from value-added services increased by 4% to RMB48.97 billion, and online games revenues were RMB28.51 billion, broadly stable compared to the first quarter of 2018. Social networks revenues grew by 13% to RMB20.46 billion. The increase primarily reflected digital content revenue growth from their live broadcast services and video-streaming subscriptions. Revenues from Tencent's fintech and business services increased by 44% to RMB21.79 billion. The increase was mainly driven by their commercial payment and cloud services. Revenues from online advertising increased by 25% to RMB13.38 billion and social and other advertising revenues increased by 34% to RMB9.90 billion. This was mainly due to the increase in advertising revenues derived from Weixin Moments, Mini Programs and QQ KanDian.

The Group's share of Mail.ru's revenue grew from US\$69 million in the three months ended 30 June 2018 to US\$76 million in the three months ended 30 June 2019. In local currency, the Group's share of Mail.ru's revenue grew by 15% during the period. Mail.ru's revenue for the three months ended 31 March 2019 reached RUB20.1 billion, a 22% increase compared to the same period in the previous year. In 2019, Mail.ru changed the composition of the reporting segments in order to better reflect their strategy, the way their business is managed and their units' interconnection within its eco-system. The games segment, which includes online gaming services, including MMO, social and mobile games, grew 26% for the period. The communications and social segment, which includes email, instant messaging and portal, grew 11% compared to the same period last year. This segment earns substantially all revenues from display and context advertising. Mail.ru's new initiatives segment grew over 100% for the quarter. This segment primarily consists of food delivery services, ESforce eSports business, Youla classifieds along with other services.

Operating Expenses

Costs of Providing Services and Sale of Goods

The costs of providing services and sale of goods increased by US\$83 million, or 26%, from US\$324 million for the three months ended 30 June 2018 to US\$407 million for the three months ended 30 June 2019. Costs of providing services and sales of goods as a percentage of revenue increased from 55% in the three months ended 30 June 2018 to 60% in the three months ended 30 June 2019.

Platform/website hosting and warehousing costs increased by US\$21 million, from US\$205 million in the three months ended 30 June 2018 to US\$226 million in the three months ended 30 June 2019. This increase primarily related to warehousing costs at eMAG, which increased due to the continued warehouse migration and continued improvements to their supply chain and platform. In addition, website hosting costs in the Classifieds business increased as they continued to expand their global platform across regions as well as through the acquisition of the Frontier Car Group.

Payment facilitation transaction costs increased by US\$13 million from US\$45 million in the three months ended 30 June 2018 to US\$58 million in the three months ended 30 June 2019. 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.

Marketing costs targeted to specific campaigns to promote services increased by US\$4 million from US\$19 million in the three months ended 30 June 2018 to US\$23 million in the three months ended 30 June 2019. These costs were primarily incurred by iFood in support of their investment strategy to capture a larger food market opportunity.

Selling, General and Administrative Costs

Selling, general and administrative costs increased by US\$67 million, or 21%, from US\$322 million in the three months ended 30 June 2018 to US\$389 million in the three months ended 30 June 2019. Selling, general and administrative costs as a percentage of revenue increased from 55% in the three months ended 30 June 2018 to 57% in the three months ended 30 June 2019.

Marketing costs decreased by US\$1 million from US\$46 million in the three months ended 30 June 2018 to US\$45 million in the three months ended 30 June 2019, primarily due to businesses in the Classifieds segment scaling back on marketing and maintaining previous levels.

Staff costs increased by US\$44 million, or 26%, from US\$172 million in the three months ended 30 June 2018 to US\$216 million in the three months ended 30 June 2019, primarily due to increased salaries, wages and bonuses resulting from annual increases as well as an increase in permanent staff (particularly in the Classifieds as the business builds out its platform and iFood as the business continues to scale). Retention option expenses increased by US\$2 million as a result of acquisitions of businesses during the year. Share-based compensation costs decreased by US\$11million due to changes in valuation assumptions, including share prices and volatility, as well as the impacts of allocations made and vesting of options.

Depreciation and Amortisation

Depreciation and amortisation in selling, general and administration expenses increased by US\$13 million, or 45%, from US\$29 million in the three months ended 30 June 2018 to US\$42 million in the three months ended 30 June 2019.

Depreciation and amortisation as a percentage of revenue increased to 6% in the three months ended 30 June 2019, compared to 5% in the three months ended 30 June 2018. Amortisation expenses for other intangible assets increased by US\$1 million, or 4%, from US\$23 million in the three months ended 30 June 2018 to US\$24 million for the three months ended 30 June 2019. Depreciation expenses increased by US\$12 million, or 200%, from US\$6 million in the three months ended 30 June 2018 to US\$18 million in the three months ended 30 June 2019. The increase in depreciation expenses primarily related to the capitalisation of leases, in terms of IFRS 16 *Leases*, which were previously classified as operating leases. These capitalised leases related to the eMAG warehouses as well as Classified's office buildings.

Other Gains/(Losses)—Net

Other gains/(losses)—net amounted to a net loss of US\$nil in the three months ended 30 June 2019 compared to a net loss of US\$17 million in the three months ended 30 June 2018. Other gains/(losses)—net primarily in the three months ended 30 June 2018 related primarily to a convertible note that the Group held in an investee, that it decided that it would not exercise due to the financial performance of the investee.

Operating Loss

Operating loss increased by US\$45 million, or 61%, from a loss of US\$74 million in the three months ended 30 June 2018 to a loss of US\$119 million in the three months ended 30 June 2019. 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 “—Presentation of Financial and Other Information” above.

	Three months ended 30 June		
	2019	2018	Growth in local currency⁽¹⁾
<i>(US\$ in millions, except %s)</i>			
Segmental trading profit (economic interest)			
Ecommerce comprising:			
—Classifieds	16	20	—%
—Payments and Fintech.....	(19)	(13)	(33)%
—Food Delivery	(131)	(16)	(613)%
—Etail	(11)	(36)	(9)%
—Travel	(7)	(7)	22%
—Other	(41)	(34)	(15)%
Total Ecommerce	(193)	(86)	(171)%
Social and Internet Platforms comprising:			
—Tencent	1,196	1,143	11%
—Mail.ru.....	—	7	(100)%
Total Social and Internet Platforms	1,196	1,150	10%
Corporate services.....	(3)	(5)	20%
Total trading profit (economic interest)	1,000	1,059	1%

(1) Represents change in local currency, excluding acquisitions and disposals. Refer to “Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs”.

Ecommerce segmental trading profit

Total trading loss in the Ecommerce segment on an economic interest basis increased by US\$107 million, or 124%, from US\$86 million in the three months ended 30 June 2018 to US\$193 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, total trading loss in the Ecommerce segment increased by 171%. Various currency strengths relative to the U.S. Dollar decreased U.S. Dollar reported trading loss by US\$9 million, or 10%. The Group's associate and joint venture investments contributed US\$110 million to Ecommerce trading losses in the three months ended 30 June 2019, compared to US\$64 million in the three months ended 30 June 2018. The increased contribution reflects increased trading losses from MakeMyTrip in Travel and Delivery Hero and Swiggy in Food Delivery, which were partially offset by the positive impact of the disposal of Flipkart during FY 2019.

The increase in the trading loss during the period was primarily driven by the Group investing more in the Food Delivery business to grow its online food delivery capabilities.

The trading profit in the Classifieds business decreased by US\$4 million, or 20%, from US\$20 million in the three months ended 30 June 2018 to US\$16 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, trading profit was flat. The Group's core businesses remain strongly profitable with Avito and the Group's European businesses recording trading profit margins in excess of 55% and trading losses in letgo declined US\$8 million year-on-year. The year-on-year decline in trading profit was driven by the strong growth in the convenient transaction model (see “Business—Segments—Ecommerce—Classifieds”) which, despite improving unit economics, is currently loss making, higher share-based payment expenses driven by increases in the underlying valuations of the Group's businesses and continued investment in expanding Classified's global technology infrastructure.

The trading loss in the Payments and Fintech business increased by US\$6 million, or 46%, from US\$13 million in the three months ended 30 June 2018 to US\$19 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, trading losses increased by 33%.

Trading losses increased primarily due to further investment to build out the credit business, primarily in India.

The trading loss in the Food Delivery business increased by US\$115 million, or 719%, from US\$16 million in the three months ended 30 June 2018 to US\$131 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, trading losses increased by 613%. The Group continues to increase its investment into the Food Delivery businesses. The opportunity in this market is allowing the Group to invest in expanding the product, technology and ecosystems in the Food Delivery business. Swiggy and iFood are investing in first party models and logistics, extending into new cities and increasing the number of restaurants, as well as building out dark kitchens and private labels, diversifying into convenience and developing new models.

The trading loss in the Etail business decreased by US\$25 million, or 69%, from US\$36 million in the three months ended 30 June 2018 to US\$11 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, trading losses increased by 9%. The Group disposed of its interest in equity-accounted online retailer Flipkart during FY 2019 and, accordingly, the disposal of Flipkart contributed to the decreased trading losses in the three months ended 30 June 2019. eMAG's trading losses remained flat as the trading profits from eMAG Romania were redeployed across the region to invest in eMAG's expansion markets, which are in earlier phases of development and are not yet profitable on a stand-alone basis.

The trading loss in the Travel business remained flat at US\$7 million in the three months ended 30 June 2018 and 30 June 2019. In local currency, excluding acquisitions and disposals, trading losses decreased by 22%. The impact of the disposal of the TBO business was offset by the improved performance by MakeMyTrip.

The other ecommerce businesses primarily comprise the Movable mobile content business, the investments in the Naspers Ventures associates and the Buscapé online-comparison shopping business. The trading loss in the other ecommerce businesses increased by US\$7 million, or 21%, from US\$34 million in the three months ended 30 June 2018 to US\$41 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, trading losses increased by 15%. Movable's mobile content business's trading losses decreased by 25%, in local currency excluding acquisitions and disposals. The Naspers Ventures associates business's trading losses decreased by 25% in local currency, excluding acquisitions and disposals, which was primarily due to increased investments in equity-accounted entities which contributed additional losses in the three months ended 30 June 2019. Buscapé's trading losses in the three months ended 30 June 2019 declined by 60%, in local currency, excluding acquisitions and disposals.

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—Summary Segmental Data”*.

Social and Internet Platforms segmental trading profit

Trading profit in the Social and Internet Platforms segment increased by US\$46 million, or 4%, from US\$1,150 million in the three months ended 30 June 2018 to US\$1,196 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, trading profit grew by 10% during the period.

Tencent's revenue growth resulted in the Group's share of their trading profit growing by 5% from US\$1,143 million in the three months ended 30 June 2018 to US\$1,196 million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, the Group's share in Tencent's trading profit grew by 11% during the period. For the three months ended 31 March 2019, Tencent non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) reached RMB28.47 billion, an increase of 13% compared to the previous year. This increase was primarily due to increased revenues.

Despite Mail.ru's revenue growth during the year, the Group's share of their trading profit declined by 100% from US\$7 million in the three months ended 30 June 2018 to US\$nil million in the three months ended 30 June 2019. In local currency, excluding acquisitions and disposals, the Group's share of Mail.ru's trading profit declined by 100% during the period. This decline is largely as a result of additional costs primarily related to marketing expenses in games and new investment costs incurred in the quarter.

Finance Income/(Costs), Net

Net finance income decreased by US\$46 million from an income of US\$74 million in the three months ended 30 June 2018 to an income of US\$28 million in the three months ended 30 June 2019. Net interest income increased by US\$3 million from net interest income of US\$8 million in the three months ended 30 June 2018 to net interest income of US\$11 million in the three months ended 30 June 2019. Interest expense increased by US\$1 million, or 2%, from US\$50 million in the three months ended 30 June 2018 to US\$51 million in the three months ended 30 June 2019. Interest income increased by US\$4 million, or 7%, from US\$58 million in the three months ended 30 June 2018 to US\$62 million in the three months ended 30 June 2019. 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 decreased by US\$49 million from an income of US\$66 million in the three months ended 30 June 2018 to an income of US\$17 million in the three months ended 30 June 2019. The decrease primarily relates to the remeasurement of written put option liabilities, where the remeasurement gain decreased by US\$6 million as well as the foreign exchange differences which decreased by US\$43 million, primarily related to the foreign exchange impacts on inter group balances.

Share of Equity-Accounted Results

The Group's equity-accounted results in equity-accounted companies increased by US\$395 million, or 36%, from US\$1,091 million in the three months ended 30 June 2018 to US\$1,486 million in the three months ended 30 June 2019. This growth was driven by Tencent and Delivery Hero, both of which reported improved profitability during the period. Delivery Hero's improved profitability resulted from gains recognised on the disposal of their investments during the period. The disposal of Flipkart in May 2018 further supported the growth as losses were recognised for only part of the prior period, with no losses reported in the three months to 30 June 2019. This growth was partly offset by increased losses from Mail.ru as well as additional losses arising from Swiggy, as their results were reported for the full three-month period to 30 June 2019.

The Group's equity-accounted results in Tencent increased by US\$286 million, or 25%, from US\$1,135 million in the three months ended 30 June 2018 to US\$1,421 million in the three months ended 30 June 2019.

The Group's equity-accounted results in Mail.ru decreased by US\$13 million from US\$3 million loss in the three months ended 30 June 2018 to US\$16 million loss in the three months ended 30 June 2019.

Dilution gains/(losses) on Equity-Accounted Investments

Dilution gains of US\$1 million were recorded during the three months ended 30 June 2019 compared to dilution losses of US\$18 million in the three months ended 30 June 2018. The dilution gains in the three months ended 30 June 2019 comprised dilutions mainly related to Tencent (US\$15 million gain) and BYJU's (US\$13 million loss), 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 .

Net gains on Acquisitions and Disposals

Gains on acquisitions and disposals of US\$20 million were recognised in the three months ended 30 June 2019, compared to US\$nil in the three months ended 30 June 2018. In the three months ended 30 June 2019, a profit on the sale of investments of US\$28 million was recognised. This related primarily to the disposal of the Group's investment in Sulit (US\$25 million) as part of the Carousell transaction as well as US\$3 million in respect of the disposal of various of the Classified's African assets to Jiji in Nigeria.

Gains on loss of control transactions recognised of US\$17 million in the three months ended 30 June 2019 related to our investment in In Loco, where the Group did not participate in a funding round resulting in the Group losing control in the investment.

Acquisition and disposal related costs increased from US\$1 million in the three months ended 30 June 2018 to US\$25 million in the three months ended 30 June 2019. The increase primarily relates to stamp duties incurred in Hong Kong to restructure Ming He as part of Group's reorganisation pursuant to the Transaction. See "*—Key Factors Affecting Results of Operations—Significant acquisitions, disposals and investments*" and note 2 of the Combined Carve-out Financial Statements.

Taxation

Taxes increased by US\$16 million from US\$5 million in the three months ended 30 June 2018 to US\$21 million in the three months ended 30 June 2019. Current tax expense increased by US\$3 million, primarily due to, the improved profitability of certain of the businesses, in particular Avito, as well as certain of the Payments and Fintech businesses. In addition, deferred tax income decreased by US\$12 million compared to the prior period. This decrease primarily relates to Avito and Movile which reduced their deferred tax liabilities.

Profit for the year

As a result of the foregoing factors, net profit increased by US\$327 million, or 31%, from US\$1,068 million during the three months ended 30 June 2018 to US\$1,395 million in the three months ended 30 June 2019.

Core Headline Earnings

Core headline earnings decreased by US\$22 million, or 3%, from US\$762 million during the three months ended 30 June 2018 to US\$740 million in the three months ended 30 June 2019, primarily due to investment in Food Delivery, partially offset by the contribution of Tencent. 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 increased by US\$23 million from a loss of US\$14 million in the three months ended 30 June 2018 to a loss of US\$37 million in the three months ended 30 June 2019. Losses attributable to non-controlling interests primarily relate to Movile (US\$27 million), B2C (US\$5 million), letgo (US\$4 million) and various other investments. The three months ended 30 June 2018 included US\$7 million profits attributable to the Avito non-controlling interest. Following the acquisition of the non-controlling interests in Avito in FY 2019, no controlling interest is recognised in the current period.

Comparison of Results of Operations for FY 2019 and FY 2018

The following discussion and analysis of the Group’s results of operations for FY 2019 and FY 2018 has been derived from, should be read in conjunction with, and is qualified in its entirety by reference to the Combined Carve-out 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 FY 2019 and FY 2018.

	Fiscal Year		
	2019	2018	% Change
	<i>(US\$ in millions)</i>		
Revenue from contracts with customers	2,654	2,303	15%
Operating expenses			
Cost of providing services and sale of goods.....	(1,596)	(1,384)	15%
Selling, general and administration expenses	(1,436)	(1,507)	(5)%
Other gains/(losses)—net.....	(40)	(27)	48%
Total operating expenses.....	(3,072)	(2,918)	5%
Operating loss.....	(418)	(615)	(32)%
Interest income.....	265	34	679%
Interest cost.....	(200)	(195)	3%
Other finance income/(costs)—net	114	(330)	(135)%
Share of equity-accounted results.....	3,409	3,292	4%
Impairment of equity-accounted investments	(88)	(46)	91%
Dilution gains/(losses) on equity-accounted investments	(182)	9,224	(102)%
Net gains on acquisitions and disposals	1,610	30	5,267%
Profit before taxation.....	4,510	11,394	(60)%
Taxation.....	(258)	(39)	562%
Profit for the year	4,252	11,355	(63)%
Attributable to:			
Equity holders of the Group.....	4,307	11,485	(62)%
Non-controlling interests	(55)	(130)	(58)%

Revenue

Total revenue of the Group increased by US\$351 million, or 15%, from US\$2,303 million in FY 2018 to US\$2,654 million in FY 2019, primarily due to the performance of Classifieds, Food Delivery, Payments and Fintech as well as Etail.

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 the combined group in their respective functional currencies and translated to U.S. Dollars. The weakening of certain currencies against the U.S. Dollar in FY 2019 negatively affected the Group's year-on-year performance by US\$207 million, or 9%, through the translation impact, specifically in the Classifieds, Payments and Fintech and Etail businesses. Revenue growth expressed in local currency, excluding acquisitions and disposals, of 25% was achieved in FY 2019.

Online sales of goods revenue represented 45% and 46% of the Group's total revenue in FY 2019 and FY 2018, respectively.

The table below presents revenue by type for the periods indicated.

	Fiscal Year		
	2019	2018	% Change
	<i>(US\$ in millions, except %s)</i>		
Revenue from contracts with customers by revenue type			
Online sales of goods revenue	1,193	1,059	13%
Classifieds listings revenue.....	606	477	27%
Payment transaction commissions and fees	309	257	20%
Mobile and other content revenue.....	159	141	13%
Food delivery revenue	159	115	38%
Travel package revenue and commissions.....	27	53	(49)%
Advertising revenue.....	100	98	2%
Comparison shopping commissions and fees	45	59	(24)%
Other revenue.....	56	44	27%
Total combined revenue from contracts with customers	2,654	2,303	15%

The following table sets out the Group's revenue by geographic market for FY 2018 and FY 2019, as well as each line item expressed as a percentage of total revenue of the combined Group for the period.

	Fiscal Year			
	2019		2018	
	<i>(US\$ in millions, except %s)</i>			
Africa	31	1%	13	1%
Europe	1,895	71%	1,679	73%
Asia	215	8%	168	7%
Latin America	423	16%	372	16%
Other	90	3%	71	3%
Total combined revenue from contracts with customers	2,654	100%	2,303	100%

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” above.

	Fiscal Year		Growth in local currency ⁽¹⁾
	2019	2018	
Segmental revenue (economic interest)	<i>(US\$ in millions, except %s)</i>		
Ecommerce comprising:			
—Classifieds	857	614	37%
—Payments and Fintech.....	360	294	28%
—Food Delivery	377	166	57%
—Etail	1,529	1,838	19%
—Travel	234	211	20%
—Other	239	219	19%
Total Ecommerce	3,596	3,342	26%
Social and Internet Platforms comprising:			
—Tencent.....	14,457	12,024	31%
—Mail.ru.....	287	257	27%
Total Social and Internet Platforms	14,744	12,281	31%
Corporate services.....	—	—	—
Total segmental revenue (economic interest).....	18,340	15,623	30%

(1) Represents change in local currency, excluding acquisitions and disposals. Refer to “Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs”.

The following table sets out the Group’s segmental revenue on an economic-interest basis by geographic market for FY 2018 and FY 2019, as well as each line item expressed as a percentage of total revenue of the combined Group on an economic-interest basis for the period.

	Fiscal Year			
	2019		2018	
	<i>(US\$ in millions, except %s)</i>			
Segmental revenue from continuing operations				
Africa	31	—%	13	—%
Europe	2,431	13%	2,006	13%
Asia	15,270	83%	13,097	84%
Latin America	469	3%	410	2%
Other	139	1%	97	1%
Total segmental revenue (economic interest).....	18,340	100%	15,623	100%

Ecommerce segmental revenue

Total revenue in the Ecommerce segment on an economic-interest basis increased by US\$254 million, or 8%, from US\$3,342 million in FY 2018 to US\$3,596 million in FY 2019. In local currency, excluding acquisitions and disposals, revenue grew by 26%. Classifieds, Payments and Fintech and Food Delivery as well as Etail contributed meaningfully to the revenue growth as discussed further below. Various currency weaknesses relative to the U.S. Dollar had a negative US\$252 million, or 8%, effect on the U.S. Dollar-reported revenue. The Group’s associate and joint venture investments contributed US\$942 million to Ecommerce revenue in FY 2019, compared to US\$1,039 million in FY 2018. The decrease of

US\$97 million, or 9%, was primarily due to the disposals of Souq in the prior year and Flipkart during the year, resulting in a decreased contribution from the Etail business. This was partially offset by the improved performance from MakeMyTrip in Travel and Delivery Hero and Swiggy in Food Delivery. See “*Important Information—Presentation of Financial and Other Information*”.

Revenue in the Classifieds business increased by US\$243 million, or 40%, from US\$614 million in FY 2018 to US\$857 million in FY 2019. In local currency, excluding acquisitions and disposals, revenue grew by 37%. The revenues from OLX Brazil and OLX Poland as well as the Frontier Car Group (which was acquired during the year) contributed to revenue growth during the period. Avito increased its revenue 28%, in local currency excluding acquisitions and disposals, to US\$322 million as a result of investments in enhanced product features and an improved customer experience which resulted in increased user engagement during the period. OLX Brazil revenues grew by 44%, in local currency, excluding acquisitions and disposals, following expanded monetisation in its cars vertical.

Revenue in the Payments and Fintech business increased by US\$66 million, or 22%, from US\$294 million in FY 2018 to US\$360 million in FY 2019. In local currency, excluding acquisitions and disposals, revenue grew by 28%. This increase was largely driven by the Group’s PSP business. Volumes processed in the PSP business reached US\$30.1 billion representing growth of 29% in local currency representing over 900 million transactions. Among the Payments and Fintech business’s major markets, India was the fastest-growing and accounted for approximately half of the volumes processed. The Payments and Fintech business continued to invest in building a broader credit platform in India. Its LazyPay product reached nearly 700,000 consumers in FY 2019. The Indian credit portfolio minority investments, ZestMoney and PaySense, continued to grow, reaching combined monthly loan issuances of US\$15 million as at 31 March 2019.

Revenue in the Food Delivery business increased by US\$211 million, or 127%, from US\$166 million in FY 2018 to US\$377 million in FY 2019. In local currency, excluding acquisitions and disposals, revenue grew by 57%. The online food delivery services assets revenues continued to grow, with cumulative annualised GMV growth of 65% compared to the previous year. iFood processed more than 17.4 million orders in March 2019 in Brazil, compared to 7.6 million orders in the same month in the previous year, with a network of over 66,000 active restaurants and 60,000 active drivers in Brazil. Swiggy’s annualised order volumes increased by 320% compared to the previous year. During the year, Swiggy operated in over 130 cities with more than 85,000 restaurant partners. For its year ended 31 December 2018, Delivery Hero reported revenue growth from continuing operations of 47% to €665 million, with order volumes increasing by 49% to 369 million.

Revenue in the Etail business decreased by US\$309 million, or 17%, from US\$1,838 million in FY 2018 to US\$1,529 million in FY 2019. In local currency, excluding acquisitions and disposals, revenue grew by 19%. The Group disposed of its interest in equity-accounted online retailer Flipkart during FY 2019 and, accordingly, the Group’s FY 2019 results include only seven months of Flipkart’s results for segmental reporting purposes, reflecting its share of Flipkart’s earnings during the period to the date of disposal. Additionally, eMAG’s GMV grew by 25% in Romania during the year.

Revenue in the Travel business increased by US\$23 million, or 11%, from US\$211 million in FY 2018 to US\$234 million in FY 2019. In local currency, excluding acquisitions and disposals, revenue grew by 20%. MakeMyTrip revenues increased during the period, with gross hotel bookings rising by 17% in local currency terms and stand-alone room nights increasing by 23% compared to the previous year. Air-travel transactions by 29% during the year. As a result, the Group’s share of MakeMyTrip’s revenue increased by 30% compared to the previous year.

The other ecommerce businesses primarily comprise the Movile mobile content business, the investments in the Naspers Ventures associates and the Buscapé online-comparison shopping business. Revenue in the other ecommerce businesses increased by US\$20 million, or 9%, from US\$219 million in FY 2018 to US\$239 million in FY 2019. In local currency, excluding acquisitions and disposals, revenue grew by 19%. Movile’s mobile content business in Brazil recorded revenue growth of 25% in local currency, excluding acquisitions and disposals. The Naspers Ventures associates business saw positive revenue growth of 42% in local currency, excluding acquisitions and disposals, primarily as a result of the performance of SimilarWeb, Honor, Brainly and Udemy. Revenue growth was negatively impacted by the performance of Buscapé, whose revenue declined by 10% in local currency, excluding acquisitions and disposals.

Social and Internet Platforms segmental revenue

On an economic-interest basis, total revenue from the Social and Internet Platforms segment increased by US\$2,463 million, or 20%, from US\$12,281 million in FY 2018 to US\$14,744 million in FY 2019. In local currency, excluding acquisitions and disposals, revenue grew by 31% during the period.

The Group's share of Tencent's revenue grew from US\$12,024 million in FY 2018 to US\$14,457 million in FY 2019. In local currency, the Group's share of Tencent's revenue grew by 31% during the period. Tencent's revenues for the year ended 31 December 2018 reached RMB313 billion, an increase of 32% compared to the previous year. During the year, Tencent's revenues from value-added services increased 15% to RMB177 billion, with online games revenues growing 6% to RMB104 billion and social networks revenues rising 30% to RMB73 billion. Online advertising revenues rose 44% to RMB58 billion. Other revenues (mainly payment and cloud-services revenues) rose 80% to RMB78 billion. Weixin and WeChat's combined monthly active users reached 1.1 billion. Tencent provides digital content to its users across online media platforms, with total subscriptions exceeding 100 million in the year ended 31 December 2018. Growth in Tencent's advertising revenue grew during the year primarily due to connecting more advertisers across its platforms with more accurate user targeting capabilities. Despite Chinese regulatory intervention in the gaming space that had negatively impacted Tencent's online games revenue growth, Tencent maintained its leading position in the Chinese online games market and continued to grow its global presence. Tencent extended its leadership in mobile payments in terms of active user accounts and number of transactions with more than 1 billion payment transactions per day in the year ended 31 December 2018, primarily driven by rapid growth in commercial payments, of which revenue and transaction volumes more than doubled in 2018.

The Group's share of Mail.ru's revenue grew from US\$257 million in FY 2018 to US\$287 million in FY 2019. In local currency, the Group's share of Mail.ru's revenue grew by 27% during the period. Mail.ru's revenue for the year ended 31 December 2018 reached RUB75 billion, a 33% increase compared to the previous year. Mail.ru's advertising revenue continued to grow, with mobile advertising in social networks remaining the fastest-growing area. Hustle Castle, a mobile game developed by Mail.ru, became its largest game. War Robots and Warface continued to record solid growth and perform well. International revenue accounted for over 63% of Mail.ru's online games revenues in the year ended 31 December 2018. Delivery Club remained the largest online food delivery platform in Russia with monthly active users growing 67% in the year ended 31 December 2018 compared to the previous year. Mail.ru acquired the remaining 80% of United Media Agency, an aggregator and distributor of digital content in Russia, during the year. As at 31 December 2018, Mail.ru had the largest content subscription user base in Russia with 2.1 million paid and trial subscriptions.

Operating Expenses

Costs of Providing Services and Sale of Goods

The costs of providing services and sale of goods increased by US\$212 million, or 15%, from US\$1,384 million for FY 2018 to US\$1,596 million for FY 2019. Costs of providing services and sales of goods as a percentage of revenue remained stable at 60% in both FY 2019 and FY 2018.

Platform/website hosting and warehousing costs increased by US\$160 million, from US\$1,139 million in FY 2018 to US\$1,299 million in FY 2019. This increase primarily related to warehousing costs at eMAG, which increased due to the continued warehouse migration and continued improvements to their supply chain and platform. In addition, website hosting costs in the Classifieds business increased as they continued to expand their global platform across regions as well as through the acquisition of the Frontier Car Group. iFood incurred additional costs as it expanded its footprint to reach more markets. Various other businesses, including Movile, also incurred additional costs related to platform improvement projects. This increase was partially offset by costs savings from the online travel business, Travel Boutique Online, which was disposed of during FY 2019 and Markafoni, which was closed down in FY 2018.

Payment facilitation transaction costs increased by US\$48 million from US\$153 million in FY 2018 to US\$201 million in FY 2019. The increase primarily related to the Payments and Fintech business where the increased transaction volumes with merchants resulted in increased transaction processing costs, driven by a 41% increase in the number of transactions processed.

Marketing costs targeted to specific campaigns to promote services remained stable at US\$83 million in both FY 2019 and FY 2018. These costs were primarily incurred by iFood in support of their order volume growth, which increased by 107% during the year.

Selling, General and Administrative Costs

Selling, general and administrative costs decreased by US\$71 million, or 5%, from US\$1,507 million in FY 2018 to US\$1,436 million in FY 2019. Selling, general and administrative costs as a percentage of revenue decreased from 65% in FY 2018 to 54% in FY 2019.

Marketing costs decreased by US\$88 million from US\$309 million in FY 2018 to US\$221 million in FY 2019, primarily due to certain Classifieds businesses, including letgo, that scaled back their marketing campaigns substantially during the year, as well as Additional reductions relating to scaling back the Buscapé business's operations.

Staff costs increased by US\$61 million, or 8%, from US\$752 million in FY 2018 to US\$813 million in FY 2019, primarily due to increased salaries, wages and bonuses resulting from annual increases as well as an increase in permanent staff (particularly in the Classifieds and iFood businesses) which increased from 12,559 in FY 2018 to 15,078 in FY 2019. Retention option expenses increased by US\$4 million as a result of acquisitions of businesses during the year. Share-based compensation costs decreased by US\$51 million due to changes in valuation assumptions, including share prices and volatility, as well as the impacts of allocations made and vesting of options.

Depreciation and Amortisation

Depreciation and amortisation in selling, general and administration expenses decreased by US\$2 million, or 2%, from US\$121 million in FY 2018 to US\$119 million in FY 2019.

Depreciation and amortisation as a percentage of revenue decreased to 4% in FY 2019, compared to 5% in FY 2018. Amortisation expenses for other intangible assets decreased by US\$3 million, or 3%, from US\$97 million in FY 2018 to US\$94 million for FY 2019. Depreciation expenses increased by US\$1 million, or 4%, from US\$24 million in FY 2018 to US\$25 million in FY 2019.

Other Gains/(Losses)—Net

Other gains/(losses)—net amounted to a net loss of US\$40 million in FY 2019 compared to a net loss of US\$27 million in FY 2018. Other gains/(losses)—net primarily related to fair-value adjustments of US\$27 million in respect of the Kreditech convertible loan and Ingresso Rappido convertible bond, as management do not expect to exercise the respective conversion options. In addition, US\$6 million was recognised in respect of the impairment of goodwill related to Agito (the eMAG business in Poland) and Movile's LBS business in Brazil, where results of operations lagged behind expectations due to adverse competitive conditions. US\$1 million was recognised as an impairment of other intangible assets relating to intellectual property rights no longer used.

Operating Loss

Operating loss decreased by US\$197 million, or 32%, from a loss of US\$615 million in FY 2018 to a loss of US\$418 million in FY 2019 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 ⁽¹⁾
	2019	2018	
Segmental trading profit (economic interest)	<i>(US\$ in millions, except %s)</i>		
Ecommerce comprising:			
—Classifieds	(6)	(120)	107%
—Payments and Fintech.....	(43)	(64)	67%
—Food Delivery	(171)	(30)	(323)%
—Etail	(101)	(223)	13%
—Travel	(37)	(61)	46%
—Other	(194)	(154)	(23)%
Total Ecommerce	(552)	(652)	15%
Social and Internet Platforms comprising:			
—Tencent.....	3,929	3,675	16%
—Mail.ru.....	23	51	(49)%
Total Social and Internet Platforms	3,952	3,726	15%
Corporate services.....	(17)	(14)	(57)%
Total trading profit (economic interest)	3,383	3,060	21%

(1) Represents change in local currency, excluding acquisitions and disposals. Refer to "Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs".

Ecommerce segmental trading profit

Total trading loss from continuing operations in the Ecommerce segment improved by US\$100 million, or 15%, from US\$652 million in FY 2018 to US\$552 million in FY 2019. In local currency, excluding acquisitions and disposals, total trading loss from continuing operations in the Ecommerce segment decreased by 15%. Various currency strengths relative to the U.S. Dollar decreased U.S. Dollar-reported trading loss by US\$22 million, or 3%. The Group's associate and joint venture investments contributed US\$269 million to Ecommerce trading losses in FY 2019, compared to US\$280 million in FY 2018. The contribution remained flat as the positive impacts of the disposals of Souq in the prior year and Flipkart during the year as well as reduced trading losses from MakeMyTrip were offset by the increased trading losses from Delivery Hero and Swiggy in Food Delivery.

The decrease in the trading loss during the period was primarily driven by improved profitability in Classifieds and the reduction of trading losses in the Etail, and Payments and Fintech businesses. This was partially offset by the Group investing more in the Food Delivery business to grow its online food delivery capabilities.

The trading loss in the Classifieds business decreased by US\$114 million, or 95%, from US\$120 million in FY 2018 to US\$6 million in FY 2019. In local currency, excluding acquisitions and disposals, trading loss decreased by 107%. Excluding investments to scale letgo, the Classifieds business continued to post trading profits, notably Avito, whose trading profit increased by 35% in local currency, excluding acquisitions and disposals. letgo reduced its trading losses by 35% in local currency, excluding acquisitions and disposals during the period.

The trading loss in the Payments and Fintech business decreased by US\$21 million, or 33%, from US\$64 million in FY 2018 to US\$43 million in FY 2019. In local currency, excluding acquisitions and disposals, trading losses decreased by 67%. The Payments and Fintech business became profitable during the

year achieving profitability in each of its core markets, including India. The Payments and Fintech businesses across Europe, the Middle East and Africa as well as Latin America were merged during the year, which resulted in significant cost savings.

The trading loss in the Food Delivery business increased by US\$141 million, or 470%, from US\$30 million in FY 2018 to US\$171 million in FY 2019. In local currency, excluding acquisitions and disposals, trading losses increased by 323%. Trading losses increased in FY 2019 due to the Group investing further to grow its food delivery businesses.

The trading loss in the Etail business decreased by US\$122 million, or 55%, from US\$223 million in FY 2018 to US\$101 million in FY 2019. In local currency, excluding acquisitions and disposals, trading losses decreased by 13%. The Group disposed of its interest in equity-accounted online retailer Flipkart during FY 2019 and, accordingly, its FY 2019 only included seven months of Flipkart's results for segmental reporting purposes, reflecting its share of Flipkart's earnings during the period to the date of disposal. Similarly, the disposal of Souq during FY 2018 contributed to the decreased trading losses in FY 2019. eMAG's profitability grew by 46% during the year as a result of higher gross profit margins.

The trading loss in the Travel business decreased by US\$24 million, or 39%, from US\$61 million in FY 2018 to US\$37 million in FY 2019. In local currency, excluding acquisitions and disposals, trading losses decreased by 46%. This decrease was primarily due to improved performance by MakeMyTrip.

The other ecommerce businesses primarily comprise the Movable mobile content business, the investments in the Naspers Ventures associates and the Buscapé online-comparison shopping business. The trading loss in the other ecommerce businesses increased by US\$40 million, or 26%, from US\$154 million in FY 2018 to US\$194 million in FY 2019. In local currency, excluding acquisitions and disposals, trading losses increased by 23%. Movable's mobile content business's trading losses increased by 21%, in local currency excluding acquisitions and disposals. The Naspers Ventures associates business's trading losses increased by 56% in local currency, excluding acquisitions and disposals, which was primarily due to increased investments in equity-accounted entities which contributed additional losses in FY 2019. Buscapé recorded trading losses in FY 2019 slightly below those recorded in FY 2018.

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—Summary Segmental Data*".

Social and Internet Platforms segmental trading profit

Trading profit in the Social and Internet Platforms segment increased by US\$226 million, or 6%, from US\$3,726 million in FY 2018 to US\$3,952 million in FY 2019. In local currency, excluding acquisitions and disposals, trading profit grew by 15% during the period.

Tencent's revenue growth resulted in the Group's share of their trading profit growing by 7% from US\$3,675 million in FY 2018 to US\$3,929 million in FY 2019. In local currency, excluding acquisitions and disposals, the Group's share in Tencent's trading profit grew by 16% during the period. For the year ended 31 December 2018, Tencent non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) reached RMB77 billion, an increase of 19% compared to the previous year. As a result of its increased revenue, Tencent incurred increased selling and marketing expenses, which increased by 37% compared to the previous year, relating to services and products such as digital content services, Fintech services and smart phone games. In addition, Tencent increased their expenditure on research and development as well as staff costs as a result of their expanded business volume.

Despite Mail.ru's revenue growth during the year, the Group's share of their trading profit declined by 55% from US\$51 million in FY 2018 to US\$23 million in FY 2019. In local currency, excluding acquisitions and disposals, the Group's share of Mail.ru's trading profit declined by 49% during the period. This decline is largely as a result of additional costs primarily related to marketing expenses as well as increased agent and partner fees

Finance Income/(Costs), Net

Net finance income increased by US\$670 million from a cost of US\$491 million in FY 2018 to an income of US\$179 million in FY 2019. Net interest income increased by US\$226 million from net interest costs of US\$161 million in FY 2018 to net interest income of US\$65 million in FY 2019. Interest expense increased by US\$5 million, or 3%, from US\$195 million in FY 2018 to US\$200 million in FY 2019. Interest income increased by US\$231 million, or 679%, from US\$34 million in FY 2018 to US\$265 million in FY 2019.

Interest expense relates primarily to interest on the publicly traded bonds. Interest income includes interest earned on bank accounts and short-term investments. The increase during the period relates to interest income for the full twelve months on the cash proceeds from the disposal of a 6% interest in Tencent by the Group in March 2018, as well as the cash proceeds received in FY 2019 on the disposal of the Group's equity-accounted investment in Flipkart.

Other finance income increased by US\$444 million from a cost of US\$330 million in FY 2018 to an income of US\$114 million in FY 2019. The increase primarily relates to the remeasurement of written put option liabilities, which were a remeasurement loss of US\$252 million in FY 2018 compared to a remeasurement gain of US\$53 million in FY 2019, as well as positive foreign exchange translation impacts primarily related to the fair-value measurement of forward exchange contracts and the cross-currency interest rate swap as well as on the translation of assets and liabilities.

Share of Equity-Accounted Results

The Group's equity-accounted results in equity-accounted companies increased by US\$117 million, or 4%, from US\$3,292 million in FY 2018 to US\$3,409 million in FY 2019. This growth was partly driven by Delivery Hero and MakeMyTrip, both of which reported improved profitability during the year, resulting in decreased losses being accounted for, as well as Silver Brazil reporting increased profits. The disposal of Flipkart in May 2018 further supported the growth as losses were recognised for only part of the fiscal year. This growth was partly offset by increased losses from Mail.ru as well as additional losses arising from investments made during the year.

The Group's equity-accounted results in Tencent increased by US\$80 million, or 2%, from US\$3,616 million in FY 2018 to US\$3,696 million in FY 2019. This increase was primarily due to Tencent's revenue growth from value-added services, online games and social networks, partially offset by impairments of certain associates and joint ventures recognised by Tencent during the year ended 31 December 2018 of which the Group's share amounted to US\$799 million for FY 2019. Online advertising revenues as well as payment and cloud-services revenues further contributed to the growth, which was partially offset by additional content and channel costs being incurred as well as increased costs for fintech services. Additionally, the weakening of the average Chinese Yuan Renminbi exchange rate against the U.S. Dollar during FY 2019 by 2% contributed negatively to the growth in the Group's share of equity-accounted results from Tencent.

The Group's equity-accounted results in Mail.ru decreased by US\$44 million from US\$9 million profit in FY 2018 to US\$35 million loss in FY 2019. This decrease was primarily as a result of Mail.ru's increased costs from agent and partner fees as well as marketing expenses, partially offset by increased revenues as a result of growth in its online gaming offering and mobile advertising in social networks.

Impairment of Equity-Accounted Investments

The Group had impairments of equity-accounted investments in FY 2019 of US\$88 million, compared to US\$46 million in FY 2018. The impairment of equity-accounted investments in FY 2019 primarily related to the investment in Kreditech focussed on providing consumer lending and financial services in the Payments and Fintech business. The investment was impaired based on the performance and the opportunity to leverage the investment in some core markets falling below management's expectations. In addition, other smaller Ventures investments were fully impaired based on their performance.

Dilution gains/(losses) on Equity-Accounted Investments

Dilution losses of US\$182 million were recorded during FY 2019 compared to dilution gains of US\$9,224 million in FY 2018. The dilution losses in FY 2019 comprised dilutions related to Tencent (US\$136 million), Mail.ru (US\$18 million), MakeMyTrip (US\$10 million) and Delivery Hero (US\$18 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.

Net gains on Acquisitions and Disposals

Gains on acquisitions and disposals of US\$1,610 million were recognised in FY 2019, compared to US\$30 million in FY 2018. In FY 2019, a profit on the sale of investments of US\$1,618 million was recognised. This related primarily to the disposal of the Group's equity-accounted investments in Flipkart (US\$1,584 million) and Coins.ph (US\$5 million), as well as gains on the disposal of the online travel business in India, Travel Boutique Online, (US\$6 million), Uaprom, an Etail business in the Ukraine (US\$20 million) and US\$3 million in respect of other smaller investments.

Acquisition and disposal-related costs increased from US\$13 million in FY 2018 to US\$18 million in FY 2019. See “—*Key Factors Affecting Results of Operations—Significant acquisitions, disposals and investments*” and note 2 of the Annual Combined Carve-out Financial Statements.

Taxation

Taxes increased by US\$219 million from US\$39 million in FY 2018 to US\$258 million in FY 2019. Current tax expense increased by US\$197 million, primarily due to the improved profitability of certain of the businesses, in particular Avito, as well as certain of the Payments and Fintech businesses. In addition, the current tax expense includes applicable withholding taxes related to the disposal of Flipkart. In addition, deferred tax income decreased by US\$22 million compared to FY 2018. This decrease primarily relates to Avito as well as OLX’s U.S. Classifieds business.

Profit for the year

As a result of the foregoing factors, net profit decreased by US\$7,103 million, or 63%, from US\$11,355 million during FY 2018 to US\$4,252 million in FY 2019.

Core Headline Earnings

Core headline earnings increased by US\$570 million, or 23%, from US\$2,524 million during FY 2018 to US\$3,094 million in FY 2019, primarily due to increased profitability of many of the Ecommerce businesses as well as the contribution of Tencent. 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\$75 million from a loss of US\$130 million in FY 2018 to a loss of US\$55 million in FY 2019. Losses attributable to non-controlling interests primarily relate to Movile (US\$50 million), Silver Indonesia (US\$10 million), B2C (US\$9 million), eMAG (US\$9 million), letgo (US\$1 million) and various other investments, which were partially offset by profits attributable to non-controlling interests in Avito (US\$25 million).

Comparison of Results of Operations for FY 2018 and FY 2017

The following discussion and analysis of the Group’s results of operations for FY 2018 and FY 2017 has been derived from, should be read in conjunction with, and is qualified in its entirety by reference to the Combined Carve-out 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 FY 2018 and FY 2017.

	Fiscal Year		
	2018	2017	% Change
	<i>(US\$ in millions)</i>		
Revenue from contracts with customers	2,303	1,835	26%
Operating expenses			
Cost of providing services and sale of goods.....	(1,384)	(1,136)	22%
Selling, general and administration expenses	(1,507)	(1,492)	1%
Other gains/(losses)—net.....	(27)	(25)	8%
Total operating expenses	(2,918)	(2,653)	10%
Operating loss	(615)	(818)	(25)%
Interest income.....	34	17	100%
Interest expense	(195)	(200)	(3)%
Other finance income/(costs)—net	(330)	(638)	(48)%
Share of equity-accounted results.....	3,292	1,857	77%
(Impairment)/reversal of impairment of equity-accounted investments	(46)	1	(4,700)%
Dilution gains/(losses) on equity-accounted investments	9,224	(119)	(7,851)%
Net gains on acquisitions and disposals	30	249	(88)%
Profit before taxation	11,394	349	3,165%
Taxation.....	(39)	(11)	255%
Profit from continuing operations	11,355	338	3,259%
Profit from discontinued operations	—	2,062	(100)%
Profit for the year	11,355	2,400	373%
Attributable to:			
Equity holders of the Group.....	11,485	2,606	341%
Non-controlling interests	(130)	(206)	(37)%

Revenue

Total revenue of the Group increased by US\$468 million, or 26%, from US\$1,835 million in FY 2017 to US\$2,303 million in FY 2018, primarily due to improved performance in the Classifieds, Etail, and Payments and Fintech businesses.

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 the combined group in their respective functional currencies and translated to U.S. Dollars. The strengthening of certain currencies against the U.S. Dollar in FY 2018 positively affected the Group's year-on-year revenue performance by US\$114 million, or 5%, through the translation impact, specifically in the Classifieds and Etail businesses. Revenue growth expressed in local currency, excluding acquisitions and disposals, of 33% was achieved in FY 2018.

Online sales of goods revenue represented 46% and 51% of the Group's total revenue in FY 2018 and FY 2017, respectively.

The table below presents revenue by type for the periods indicated.

	Fiscal Year		
	2018	2017	% Change
	<i>(US\$ in millions, except %s)</i>		
Revenue from contracts with customers by revenue type			
Online sales of goods revenue	1,059	916	16%
Classifieds listings revenue.....	477	308	55%
Payment transaction commissions and fees	257	141	82%
Mobile and other content revenue.....	141	107	32%
Food delivery revenue	115	53	117%
Travel-package revenue and commissions	53	116	(54)%
Advertising revenue.....	98	81	21%
Comparison shopping commissions and fees	59	73	(19)%
Other revenue.....	44	40	10%
Total combined revenue from contracts with customers	2,303	1,835	26%

The following table sets out the Group's revenue by geographic market for FY 2017 and FY 2018, as well as each line item expressed as a percentage of total revenue of the combined Group for the period.

	Fiscal Year			
	2018		2017	
	<i>(US\$ in millions, except %s)</i>			
Africa	13	1%	3	—%
Europe	1,679	73%	1,334	73%
Asia	168	7%	172	9%
Latin America	372	16%	272	15%
Other	71	3%	54	3%
Total combined revenue from contracts with customers	2,303	100%	1,835	100%

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		Growth in local currency ⁽¹⁾
	2018	2017	
Segmental revenue from continuing operations (economic interest)			
	<i>(US\$ in millions, except %s)</i>		
Ecommerce comprising:			
—Classifieds	614	419	34%
—Payments and Fintech.....	294	186	37%
—Food Delivery	166	54	117%
—Etail	1,838	1,594	15%
—Travel	211	123	29%
—Other	219	175	18%
Total Ecommerce	3,342	2,551	35%
Social and Internet Platforms comprising:			
—Tencent.....	12,024	7,506	60%
—Mail.ru.....	257	186	38%
Total Social and Internet Platforms	12,281	7,692	60%
Segmental revenue from continuing operations (economic interest)	15,623	10,243	51%
Segmental revenue from discontinued operations (economic interest)	—	327	—
Eliminations	—	(33)	—
Total segmental revenue (economic interest).....	15,623	10,537	51%

(1) Represents change in local currency, excluding acquisitions and disposals. Refer to “Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs”.

The following table sets out the Group’s segmental revenue on an economic-interest basis by geographic market for FY 2017 and FY 2018, as well as each line item expressed as a percentage of total revenue of the combined Group on an economic-interest basis for the period.

	Fiscal Year			
	2018		2017	
	<i>(US\$ in millions, except %s)</i>			
External segmental revenue from continuing operations				
Africa	13	—%	3	—%
Europe	2,006	13%	1,529	15%
Asia	13,097	84%	8,304	81%
Latin America	410	2%	298	3%
Other	97	1%	76	1%
Total external segmental revenue from continuing operations (economic interest).....	15,623	100%	10,210	100%

Ecommerce segmental revenue

Total revenue from continuing operations in the Ecommerce segment on an economic-interest basis increased by US\$791 million, or 31%, from US\$2,551 million in FY 2017 to US\$3,342 million in FY 2018. In local currency, excluding acquisitions and disposals, revenue grew by 35%. Classifieds, Payments and Fintech and Food Delivery all contributed meaningfully to the revenue growth as discussed further below. Various currency strengths relative to the U.S. Dollar had a positive US\$142 million, or 6%, effect on the U.S. Dollar-reported revenue. The Group's associate and joint venture investments contributed US\$1,039 million to Ecommerce revenue in FY 2018, compared to US\$683 million in FY 2017. The increase of US\$356 million, or 52%, was primarily due to the performance of the Etail associates, in particular Flipkart. See *"Important Information—Presentation of Financial and Other Information"*.

Revenue in the Classifieds business increased by US\$195 million, or 47%, from US\$419 million in FY 2017 to US\$614 million in FY 2018. In local currency, excluding acquisitions and disposals, revenue grew by 34%. OLX Brazil delivered strong revenue growth. Avito's enhanced user engagement and expanded monetisation grew revenues 28% in local currency, excluding acquisitions and disposals, despite a competitive operating environment. The European markets, led by Poland, Ukraine and Romania, accelerated revenue growth on the back of expanded product offerings to sellers in key vertical categories. letgo in the U.S. continued to gain traction with a significantly improved user experience on the platform. Annualised monthly unique listers on the letgo platform increased by 45% compared to the previous year.

Revenue in the Payments and Fintech business increased by US\$108 million, or 58%, from US\$186 million in FY 2017 to US\$294 million in FY 2018. In local currency, excluding acquisitions and disposals, revenue grew by 37%. This increase was largely driven by a 47% increase in transactions processed. Total payment value exceeded US\$25.5 billion, with India, the Group's fastest-growing region, accounting for 47% thereof. India was also the fastest-growing region with respect to payment volumes which increased by 84% compared to the previous year. Payments and Fintech further expanded its offerings to a broader fintech services business, including investing in credit scoring (through Kreditech) as well as a technology-driven remittance (through Remitly) businesses.

Revenue in the Food Delivery business increased by US\$112 million, or 207%, from US\$54 million in FY 2017 to US\$166 million in FY 2018. In local currency, excluding acquisitions and disposals, revenue grew by 117%. This increase represented the Group's continued focus on online food delivery services. In FY 2018, the Group acquired minority stakes in Delivery Hero and Swiggy. Delivery Hero continued to build its leadership in more than 40 countries and increased revenue by 60% with order volumes growing by 48% to 292 million for the year. Swiggy, a leading online food delivery company in India, saw healthy increases in revenue and order volumes. In Latin America, iFood continued to grow order volumes, average take rates and consumer retention metrics through additional investment, specifically in Brazil. iFood more than doubled its revenue to US\$117 million and recorded order volume growth of 116%. Cumulative annualised GMV growth in the Food Delivery business was 65% and cumulative annualised order volumes similarly rose by 65%.

Revenue in the Etail business increased by US\$244 million, or 15%, from US\$1,594 million in FY 2017 to US\$1,838 million in FY 2018. In local currency, excluding acquisitions and disposals, revenue grew by 35%. This increase is primarily due to the performance of eMAG, which continued to outpace market growth across its footprint, with GMV increasing by 38%, particularly in Romania, Hungary and Bulgaria. Flipkart, the Indian equity-accounted Etail investment, increased market share by growing GMV by 49% year-on-year. The growth in revenue was partially offset by the disposal of certain investments during the period, notably Souq in the Middle East and Konga in Nigeria, as well as the closure of Markafoni in Turkey.

Revenue in the Travel business increased by US\$88 million, or 72%, from US\$123 million in FY 2017 to US\$211 million in FY 2018. In local currency, excluding acquisitions and disposals, revenue grew by 29%. Following the merger of ibibo with MakeMyTrip in FY 2017, MakeMyTrip has solidified its position as the leading online travel agency in India. Revenue growth was driven by growth in the airline ticketing, hotels and packages businesses.

In January 2017, the Group disposed of its investments in Allegro.pl and Ceneo. These entities represented the Group's marketplace business. In FY 2017, revenue earned amounted to US\$327 million. No revenues were earned in FY 2018. The marketplace business is recognised as a discontinued operation by the Group.

The other ecommerce businesses primarily comprise the Movable mobile content business, the investments in the Naspers Ventures associates and the Buscapé online-comparison shopping business. Revenue in the other ecommerce businesses increased by US\$44 million, or 25%, from US\$175 million in FY 2017 to

US\$219 million in FY 2018. In local currency, excluding acquisitions and disposals, revenue grew by 18%. Movile's mobile content business in Brazil recorded revenue growth of 13% in local currency, excluding acquisitions and disposals. The Naspers Ventures associates' business saw positive revenue growth of 21% in local currency, excluding acquisitions and disposals, primarily as a result of the performance of SimilarWeb. Revenue growth was negatively impacted by the performance of Buscapé, whose revenue declined by 12% in local currency, excluding acquisitions and disposals.

Social and Internet Platforms segmental revenue

On an economic-interest basis, total revenue from the Social and Internet Platforms segment increased by US\$4,589 million, or 60%, from US\$7,692 million in FY 2017 to US\$12,281 million in FY 2018. In local currency, excluding acquisitions and disposals, revenue grew by 56% during the period.

The Group's share of Tencent's revenue grew from US\$7,506 million in FY 2017 to US\$12,024 million in FY 2018. In local currency, excluding acquisitions and disposals, the Group's share of Tencent's revenue grew by 56% during the period. Tencent grew its revenues in value-added services. For the year ended 31 December 2017, Tencent's revenues of RMB238 billion were up 56% year-on-year. Revenues from value-added services increased 43% to RMB154 billion, with online games revenues growing 38% to RMB98 billion and social networks revenue rising 52% to RMB56 billion. Online advertising revenues rose 50% to RMB40 billion. Other revenues (mainly fintech and cloud services revenue) rose 153% to RMB43 billion. Tencent's Weixin and WeChat platforms strengthened their "super-app" status, with the combined monthly active users exceeding 1 billion as of the end of 2018. Tencent maintained its leading position in the Chinese online games market and continued to grow its global presence. Tencent's presence in social media and utility platforms drove healthy growth in advertising revenues. The group extended its leadership in mobile payments in terms of active user accounts and the number of transactions in China. Its total daily payment transaction volume exceeded 1 billion for 2018, driven by rapid growth in commercial payments. In addition to growing its core businesses organically, Tencent also makes strategic investments so that the investee companies can focus their management attention and company resources on their own core platforms, while capturing emerging opportunities in adjacent verticals through such investee companies.

The Group's share of Mail.ru's revenue grew from US\$186 million in FY 2017 to US\$257 million in FY 2018. In local currency, excluding acquisitions and disposals, the Group's share of Mail.ru's revenue grew by 18% during the period. Mail.ru's revenue for the year ended 31 December 2017 was up 34% to RUB57 billion. Key drivers were online games and advertising. Mail.ru's two largest games, Warface and War Robots, performed well. The online games division expanded internationally and across new platforms. International revenue accounted for almost half of its online games revenues. Mail.ru's advertising revenues benefited from shifts towards online platforms from other mediums as well as mobile and social networks. Promo posts across Mail.ru's social networks and its native in-feed video formats were the fastest-growing advertising revenues during the period. VK continued to perform strongly with further growth in engagement on both desktop and mobile, user numbers and new downloads. Advertising continued to represent the bulk of its revenues during the period.

Operating Expenses

Costs of Providing Services and Sale of Goods

The costs of providing services and sale of goods increased by US\$248 million, or 22%, from US\$1,136 million for FY 2017 to US\$1,384 million for FY 2018. Costs of providing services and sales of goods as a percentage of revenue decreased from 62% in FY 2017 to 60% in FY 2018.

Platform/website hosting and warehousing costs increased by US\$172 million, from US\$967 million in FY 2017 to US\$1,139 million in FY 2018. This increase primarily related to warehousing costs at eMAG, which increased due to a warehouse migration and improving the supply chain, as well as technology improvements related to their platform. In addition, website hosting costs in the Classifieds business increased as they embarked on a global platform consolidation project. Various other businesses, including iFood, Movile and Avito also incurred additional costs related to platform improvement projects. This increase was partially offset by costs savings from Netretail Holding B.V. (**Netretail**) and Markafoni, which businesses were disposed of and closed down, respectively.

Payment facilitation transaction costs increased by US\$57 million from US\$96 million in FY 2017 to US\$153 million in FY 2018. The increase is primarily related to the Payments and Fintech business where the increased transaction volumes with merchants resulted in increased transaction processing costs, driven by a 47% increase in transactions processed.

Marketing costs targeted to specific campaigns to promote services increased by US\$45 million from US\$38 million in FY 2017 to US\$83 million. This increase was primarily related to iFood in support of their order volume growth of 116% for the year.

Selling, General and Administrative Costs

Selling, general and administrative costs decreased by US\$15 million, or 1%, from US\$1,492 million in FY 2017 to US\$1,507 million in FY 2018. Selling, general and administrative costs as a percentage of revenue decreased from 81% in FY 2017 to 65% in FY 2018.

Marketing costs decreased by US\$243 million from US\$552 million in FY 2017 to US\$309 million in FY 2018, primarily due to the merger of the ibibo travel business with MakeMyTrip, which is accounted for as an investment in an associate, the disposal of Netretail (an online Etail business) and the closure of Markafoni (the online fashion business in Turkey). In addition, letgo, the online Classifieds business, scaled back its marketing campaigns in the U.S. substantially in FY 2018.

Staff costs increased by US\$172 million, or 30%, from US\$580 million in FY 2017 to US\$752 million in FY 2018, primarily due to increased salaries, wages and bonuses resulting from annual increases as well as an increase in permanent staff, which increased from 10,739 in FY 2017 to 12,559 in FY 2018. Retention option expenses increased by US\$6 million as a result of acquisitions of businesses during the year. Share-based compensation costs increased by US\$68 million due to changes in valuation assumptions, including share prices and volatility, offset by allocations made.

Depreciation and amortisation in selling, general and administration expenses decreased by US\$3 million, or 2%, from US\$124 million in FY 2017 to US\$121 million in FY 2018. Depreciation and amortisation as a percentage of revenue decreased to 5% in FY 2018, compared to 7% in FY 2017. Amortisation expenses for other intangible assets decreased by US\$7 million, or 7%, from US\$104 million in FY 2017 to US\$97 million for FY 2018. Depreciation expenses increased by US\$4 million, or 20%, from US\$20 million in FY 2017 to US\$24 million in FY 2018.

Other Gains/(Losses)—Net

Other gains/(losses)—net amounted to a net loss of US\$27 million in FY 2018 compared to a net loss of US\$25 million in FY 2017. Other gains/(losses)—net primarily related to the impairment of other intangible assets of US\$4 million, related to one of Avito's brands no longer in use, and the impairment of other assets of US\$23 million. The impairment of the other assets mainly comprises a convertible note, which management do not expect to be exercised, and the impairment of loans made to Konga, the Nigerian Etail business which was disposed of.

Operating Loss

Operating loss decreased by US\$203 million, or 25%, from a loss of US\$818 million in FY 2017 to a loss of US\$615 million in FY 2018. 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 ⁽¹⁾
	2018	2017	
Segmental trading profit from continuing operations (economic interest)			
Ecommerce comprising:			
—Classifieds	(120)	(330)	59%
—Payments and Fintech.....	(64)	(69)	42%
—Food Delivery	(30)	5	(260)%
—Etail	(223)	(258)	(13)%
—Travel	(61)	(88)	21%
—Other	(154)	(126)	(15)%
Total Ecommerce	(652)	(866)	24%
Social and Internet Platforms comprising:			
—Tencent.....	3,675	2,701	34%
—Mail.ru.....	51	60	(9)%
Total Social and Internet Platforms	3,726	2,761	33%
Corporate services.....	(14)	(14)	—%
Trading profit from continuing operations (economic interest) ...	3,060	1,881	56%
Trading profit from discontinued operations (economic interest)	—	137	—%
Total segmental trading profit (economic interest)	3,060	2,018	56%

(1) Represents change in local currency, excluding acquisitions and disposals. Refer to "Important Information—Presentation of Financial and Other Information—Non-IFRS Financial Measures and APMs".

Ecommerce segmental trading profit

Total trading loss from continuing operations in the Ecommerce segment decreased by US\$214 million, or 25%, from US\$866 million in FY 2017 to US\$652 million in FY 2018. In local currency, excluding acquisitions and disposals, total trading loss from continuing operations in the Ecommerce segment decreased by 24%. Various currency strengths relative to the U.S. Dollar had a positive US\$11 million, or 1%, effect on the U.S. Dollar-reported trading loss. The Group's associate and joint venture investments contributed US\$280 million to Ecommerce trading losses in FY 2018, compared to US\$201 million in FY 2017. The increase of US\$79 million, or 39%, was primarily due to the performance of the Etail, Payments and Fintech, and Ventures businesses.

The decrease in the trading loss during the period was primarily due to Classifieds, and Payments and Fintech.

The trading loss in the Classifieds business decreased by US\$210 million, or 64%, from US\$330 million in FY 2017 to US\$120 million in FY 2018. In local currency, excluding acquisitions and disposals, trading loss decreased by 59%. Excluding the investment to scale letgo, the Classifieds business turned profitable in FY 2018. The performance of the European markets resulted in trading profit nearly doubling for FY 2018.

The trading loss in the Payments and Fintech business decreased by US\$5 million, or 7%, from US\$69 million in FY 2017 to US\$64 million in FY 2018. In local currency, excluding acquisitions and disposals, trading profit grew by 42%. The Payments and Fintech business kept the cost base in its core business stable, due in part to scale efficiencies, automation and platform consolidation. The combined effect of revenue growth and a stable cost base reduced the trading loss on the existing footprint in local currency.

The trading profit in the Food Delivery business decreased by US\$35 million, from a trading profit of US\$5 million in FY 2017 to a trading loss of US\$30 million in FY 2018. In local currency, excluding acquisitions and disposals, trading losses more than doubled. Revenue growth was offset by the increased investment in iFood to grow order volumes. In addition, trading losses in FY 2018 include the Group's share of trading losses of its Food Delivery associates, Delivery Hero and Swiggy, which were recognised for the first time in FY 2018.

The trading loss in the Etail business decreased by US\$35 million, or 14%, from of US\$258 million in FY 2017 to US\$223 million in FY 2018. In local currency, excluding acquisitions and disposals, trading losses grew by 13%. Despite the aforementioned revenue growth in the business and eMAG Romania becoming profitable in FY 2018, increased costs to grow the business contributed to the increased trading losses.

The trading loss in the Travel business decreased by US\$27 million, or 31%, from US\$88 million in FY 2017 to US\$61 million in FY 2018. In local currency, excluding acquisitions and disposals, trading losses decreased by 21%. This decrease is primarily due to MakeMyTrip benefiting from healthy growth in gross bookings as well as transaction volume growth in its airline ticketing and hotels and packages businesses.

In January 2017, the Group disposed of its investment in Allegro.pl and Ceneo. These entities represented the Group's marketplace business. In FY 2017, trading profit amounted to US\$137 million. No trading profit was recognised in FY 2018. The marketplace business is recognised as a discontinued operation by the Group.

The other ecommerce businesses primarily comprise the Movable mobile content business, the investments in the Naspers Ventures associates and the Buscapé online-comparison shopping business. The trading loss in the other ecommerce businesses increased by US\$28 million, or 22%, from US\$126 million in FY 2017 to US\$154 million in FY 2018. In local currency, excluding acquisitions and disposals, trading losses increased by 15% year-on-year. Movable's mobile content business recorded reduced trading profits, some 25%, in local currency excluding acquisitions and disposals below FY 2017. The Naspers Ventures associates business saw trading losses increase by 10% in local currency, excluding acquisitions and disposals, which was primarily due to the increased losses from associates on the back of additional investments therein. The negative trend in trading losses was exacerbated by the performance of the online comparison-shopping business, Buscapé, which recorded trading losses in FY 2018 compared to a trading profit in FY 2017.

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—Summary Segmental Data*".

Social and Internet Platforms segmental trading profit

Trading profit in the Social and Internet Platforms segment increased by US\$965 million, or 35%, from US\$2,761 million in FY 2017 to US\$3,726 million in FY 2018. In local currency, excluding acquisitions and disposals, trading profit grew by 33% during the period.

Tencent's revenue growth resulted in the Group's share of their trading profit growing by 36% from US\$2,701 million in FY 2017 to US\$3,675 million in FY 2018. In local currency, excluding acquisitions and disposals, the Group's share in Tencent's trading profit grew by 34% during the period. As set out in Tencent's annual report for the year ended 31 December 2017, Tencent non-GAAP profit attributable to shareholders (Tencent's measure of normalised performance) for the year ended 31 December 2017 grew 43% to RMB65 billion.

Despite Mail.ru's revenue growth, the Group's share of their trading profit declined by 15% from US\$60 million in FY 2017 to US\$51 million in FY 2018. In local currency, excluding acquisitions and disposals, the Group's share of Mail.ru's trading profit declined by 9% during the period. This decline is largely as a result of Mail.ru investing to build new opportunities such as Food Delivery, Classifieds and Etail marketplace.

Finance Costs, Net

Net finance cost decreased by US\$330 million, or 40%, from US\$821 million in FY 2017 to US\$491 million in FY 2018. Net interest cost decreased by US\$22 million, or 12%, from US\$183 million in FY 2017 to US\$161 million in FY 2018. Interest expense decreased by US\$5 million, or 3%, from US\$200 million in FY 2017 to US\$195 million in FY 2018. Interest income increased by US\$17 million, or

100%, from US\$17 million in FY 2017 to US\$34 million in FY 2018. Interest expense relates primarily to interest on the publicly traded bonds. In FY 2018, the Group repaid its US\$700 million bond and issued a new US\$1,000 million bond. The latter was issued at an interest rate of 4.85% per annum, while the repaid bond bore interest at 6.40% per annum. Interest income includes interest earned on bank accounts – the increase relates to interest income for two months on the cash proceeds of US\$3,210 million from the disposal of Allegro, the marketplace business, in January 2017.

Other finance costs decreased by US\$308 million, or 48%, from US\$638 million in FY 2017 to US\$330 million in FY 2018. The decrease relates to the remeasurement of written put option liabilities, partially offset by the foreign exchange translation impacts primarily related to the translation of forward exchange contracts and the cross-currency interest rate swap.

Share of Equity-Accounted Results

The Group's equity-accounted results in equity-accounted companies increased by US\$1,435 million, or 77%, from US\$1,857 million in FY 2017 to US\$3,292 million in FY 2018. The strengthening of the average Chinese Yuan Renminbi exchange rate against the U.S. Dollar during FY 2018, by 2%, contributed positively to the growth in share of equity-accounted results from associate investment in Tencent. This growth was also partly driven by higher net gains resulting from disposals of investments held by equity-accounted investments of US\$692 million. In FY 2018, the Group accounted for the results of MakeMyTrip and Delivery Hero for the first time. These associates contributed negative equity-accounted results of US\$103 million and US\$31 million, respectively.

The Group's equity-accounted results in Tencent increased by US\$1,579 million, or 78%, from US\$2,037 million in FY 2017 to US\$3,616 million in FY 2018, primarily due to revenue growth in its value-added services. Tencent's online advertising revenues and other revenue streams (mainly fintech and cloud services) further contributed to the revenue growth.

The Group's equity-accounted results in Mail.ru decreased by US\$1 million, or 10%, from US\$10 million in FY 2017 to US\$9 million in FY 2018. Although Mail.ru grew its revenues in FY 2018, on the back of growth in its online gaming offering and advertising, the gain on the disposal of Mail.ru's investment in Headhunter in FY 2017, resulted in the significant decrease year-on-year.

(Impairment)/reversal of impairment of Equity-Accounted Investments

The Group had impairments of equity-accounted investments in FY 2018 of US\$46 million, compared to a reversal of an impairment of US\$1 million in FY 2017. The impairment of equity-accounted investments in FY 2018 primarily related to investments in the Classifieds business in Bangladesh, where together with the other shareholder, the Group shut down the online platform. In addition, the investment in the Classifieds business in Thailand was impaired to its fair value pursuant to the disposal of the business. The investment in FarmLogs was also partially impaired, as the performance of this investment fell behind management's expectations.

Dilution gains/(losses) on Equity-Accounted Investments

Dilution gains of US\$9,224 million were recorded during FY 2018 compared to dilution losses of US\$119 million in FY 2017. The dilution gains in FY 2018 comprised a gain of US\$9.1 billion related to the Group's disposal of approximately 6% of its interest in its Tencent investment. In addition, dilution gains of US\$252 million related to the Group's equity investment in Flipkart and arose from funding rounds in which the Group did not participate. This gain was partially offset by dilution losses related to the Group's investment in Tencent and Mail.ru of US\$124 million and US\$25 million, respectively, which arose from the vesting of share incentive awards granted to employees.

Net gains on Acquisitions and Disposals

Gains on acquisitions and disposals of US\$30 million were recognised in FY 2018, compared to US\$249 million in FY 2017. In FY 2018, a profit on the sale of investments of US\$47 million was recognised. This related primarily to the disposal of the Group's equity-accounted investment in Souq (US\$89 million), partially offset by the loss on disposal on the Group's equity investment in Konga (US\$38 million) as well as net losses of US\$4 million in respect of other smaller investments.

In FY 2017, a gain of US\$228 million was recognised on the merger of ibibo and MakeMyTrip.

Acquisition and disposal-related costs decreased from US\$15 million in FY 2017 to US\$13 million in FY 2018. See “—Key Factors Affecting Results of Operations—Significant acquisitions, disposals and investments” and note 2 of the Annual Combined Carve-out Financial Statements.

Taxation

Taxes increased by US\$28 million from US\$11 million in FY 2017 to US\$39 million in FY 2018. Current tax expense increased by US\$20 million, primarily due to the improved profitability of certain of the businesses, in particular Avito, the Russian Classifieds business, as well as certain other Classifieds businesses. In addition, deferred tax income has decreased by US\$8 million compared to FY 2017. This decrease primarily relates to Markafoni, the Etail fashion business, as the business was closed, as well as iFood and Movile. The decrease in deferred tax income was partially offset by the Classifieds businesses which recognised an increased deferred tax income due to the decrease in the U.S. corporate income tax rate from 35% to 21% with effect from 1 January 2018, which resulted in a decreased deferred tax liability.

Profit from discontinued operations

In FY 2017, the Group disposed of its marketplace businesses, Allegro.pl and Ceneo.pl. These businesses contributed a profit for the period of US\$121 million. A gain of US\$1.94 billion was recognised on the disposal.

Profit for the year

As a result of the foregoing factors, net profit increased by US\$8,955 million from US\$2,400 million during FY 2017 to US\$11,355 million in FY 2018. The main contributor to this increase was the dilution gain of US\$9.1 billion related to the Group’s disposal of approximately 6% of its interest in its Tencent investment.

Core Headline Earnings

Core headline earnings increased by US\$1,025 million, or 68%, from US\$1,499 million during FY 2017 to US\$2,524 million in FY 2018, primarily due to increased profitability of many of the Ecommerce business as well as the significant contribution of Tencent. 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\$76 million from a loss of US\$206 million in FY 2017 to a loss of US\$130 million in FY 2018. Losses attributable to non-controlling interests primarily relate to letgo (US\$85 million), eMAG (US\$14 million), Movile (US\$19 million) and various other investments, which were partially offset by profits attributable to non-controlling interests in Avito (US\$17 million).

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 its businesses. The Group’s working capital requirements are generally moderate and mainly driven by payables and receivables. Some of the Group’s 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 its operating activities, dividends from its equity investments, disposals of certain equity holdings and borrowings under its credit facilities. Dividends from its equity investments amounted to US\$377 million in the three months ended 30 June 2019, US\$332 million in the three months ended 30 June 2018, US\$343 million in FY 2019, US\$248 million in FY 2018 and US\$192 million in FY 2017. 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. See “—Description of Indebtedness”.

The Group relies upon distributions from its subsidiaries, associated companies, joint ventures and other investments to generate the funds necessary to meet the obligations and other cash flow requirements of the Group. The Group’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 Group's Ecommerce businesses are primarily funded out of cash flow generated from the equity investee dividends and drawings on its banking facilities. Acquisitions for the Group's ecommerce business have largely been funded from proceeds from investment disposals and drawings on its banking facilities. The Group expects certain of its businesses, in particular its Etail, online Classifieds, Payments and Fintech, and Food Delivery and related ecommerce businesses to require further funding in the foreseeable future.

As of 30 June 2019, the Group had cash and cash equivalents of US\$9,151 million (including short-term investments of US\$6,739 million) and undrawn available credit facilities of US\$2,557 million. The Group's ownership stakes in Tencent, Mail.ru, Delivery Hero and MakeMyTrip, all publicly listed companies with a liquid secondary market free float, provide it with further financial flexibility. A sale of a portion of its holdings would be sufficient to cover its debt obligations. In March 2018, the Group disposed of approximately 6% of its interest in Tencent (2% of Tencent's share capital) by way of an accelerated offering by private placement for a cash consideration of US\$9.76 billion. Following the Group's sale of a portion of its interest in Tencent, the Group announced on 22 March 2018 that it will not sell further Tencent shares for at least three years from such date.

As of 30 June 2019, the Group had total debt, including bank overdrafts, of US\$3,455 million, and the aggregate market value of its interests in Tencent, Mail.ru, Delivery Hero and MakeMyTrip was US\$156,655 million (based on exchange rates of US\$1 to HK\$6.8668 and €0.8795 as at 30 June 2019), representing a gross debt to value ratio of 2.2%.

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.

Cash Flows

The following table summarises the Group's cash flows for the periods indicated. For the full Combined statement of cash flows, see "Selected Financial and Other Information—Summary of Combined Statement of Cash Flows".

	Three months ended		Fiscal Year		
	30 June		2019	2018	2017
	2019	2018	2019	2018	2017
	<i>(US\$ in millions)</i>				
Net cash generated from/(utilised in) operating activities.....	243	264	(24)	(279)	(406)
Net cash generated from/(utilised in) investing activities.....	212	(7,729)	(6,483)	7,846	2,905
Net cash utilised in financing activities.....	(155)	(376)	(2,121)	(31)	(242)
Net movement in cash and cash equivalents.....	300	(7,841)	(8,628)	7,536	2,257
Foreign exchange translation adjustments on cash and cash equivalents	(11)	(31)	(57)	63	(10)
Cash and cash equivalents at the beginning of the period/year.....	2,123	10,808	10,808	3,209	962
Cash and cash equivalents at the end of the period/year	2,412	2,936	2,123	10,808	3,209

Net cash utilised in operating activities

In the three months ended 30 June 2019, net cash generated from operating activities decreased by US\$21 million from US\$264 million in the three months ended 30 June 2018 to US\$243 million, primarily due to increased cash outflows from operations as a result of reduced profitability, mainly related to our investment in the Food Delivery business. This was partially offset by increased dividends of US\$377 million received from equity investments, notably Tencent, as well as increased interest income from higher cash balances and investments held for the full period.

In FY 2019, net cash utilised in operating activities decreased by US\$255 million from US\$279 million in FY 2018 to US\$24 million in FY 2019, primarily due to increased dividends received from equity investments, notably Tencent, as well as increased interest income from higher cash balances and investments held for the full year. This was partially offset by higher interest costs paid on long-term

liabilities, including the 2020 Notes, the 2025 Notes and the 2027 Notes, and higher taxation paid. Cash outflow from operations improved as a result of improved profitability.

In FY 2018, net cash utilised in operating activities decreased by US\$127 million from US\$406 million in FY 2017 to US\$279 million in FY 2018, primarily due to increased dividends received from equity investments, notably Tencent, as well as reduced interest costs due to the repayment of the bond and issuance of the new bond which carries a lower coupon rate. However, these inflows were partially offset by increased cash outflows from operations. The FY 2017 cash outflow from operations benefited from the net cash inflows of the discontinued marketplace business. Excluding this impact, the cash outflow from operations decreased year-on-year by US\$169 million, reflective of the improved operational and working capital performance of the Group.

Free cash outflow declined from US\$209 million in the three months ended 30 June 2018 to US\$168 million in the three months ended 30 June 2019 as a result of reduced operating cash flows as well as negative working capital movements. Working capital movements resulted in a net outflow of US\$109 million in the three months ended 30 June 2019 compared to a net outflow of US\$48 million in the three months ended 30 June 2018. The movement primarily related to increased accounts payables and accruals and inventory balances. Reduced taxation paid and higher Tencent dividends, partially offset these negative impacts.

Free cash outflow improved from US\$202 million in FY 2018 to US\$121 million in FY 2019 as a result of improved profitability contributions from the Ecommerce businesses and higher Tencent dividends, partially offset by adverse working capital movements, increased capital expenditures and increased taxation paid. Working capital movements resulted in a net outflow of US\$76 million in FY 2019 compared to a net outflow of US\$7 million in FY 2018. The movement primarily related to reduced accounts payable and accruals and increased accounts receivables.

Free cash outflow improved from US\$403 million in FY 2017 to US\$202 million in FY 2018 as a result of profitability contributions from the Ecommerce businesses and higher Tencent dividends, partially offset by adverse working capital movements. Working capital movements resulted in a net outflow of US\$7 million in FY 2018 compared to a net inflow of US\$143 million in FY 2017. The movement primarily related to reduced accounts payable and accruals.

Net cash generated from investing activities

In the three months ended 30 June 2019, net cash from investing activities increased by US\$7,941 million from cash utilised of US\$7,729 million in the three months ended 30 June 2018 to cash generated of US\$212 million in the three months ended 30 June 2019. This is primarily due to an inflow of US\$306 million related to short-term cash investments with maturities of more than three months, compared to an outflow of US\$7,559 million in the prior period, when these short-term cash investments were acquired. 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\$58 million. These related mainly to Carousell, Remitly, Udemy, PaySense, Zest and various other smaller investments. In the three months ended 30 June 2019, the Group received proceeds (net of cash disposed) on the disposal of subsidiaries and businesses, associates and joint ventures of US\$5 million, primarily related to various other smaller investments.

In FY 2019, net cash from investing activities decreased by US\$14,329 million from cash generated of US\$7,846 million in FY 2018 to cash utilised of US\$6,483 million in FY 2019. This is primarily due to the acquisition of short-term investments in FY 2019 of US\$6,967 million which represents short-term cash investments with maturities of more than three months from the date of acquisition. In FY 2018, cash investments were included in cash and cash equivalents as they had maturities of less than three months from the acquisition date. 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\$1,399 million. These related mainly to Swiggy (US\$716 million), BYJU's (US\$383 million), Frontier Car Group (US\$89 million), Zouz (US\$57 million), Honor (US\$35 million) and various other smaller investments. In FY 2019, the Group received proceeds (net of cash disposed) on the disposal of subsidiaries and businesses, associates and joint ventures of US\$1,985 million, primarily related to Flipkart (US\$1,921 million), the release of the Souq escrow amount (US\$34 million) and various other smaller investments. In FY 2018, investing activities included proceeds on the disposal of approximately 6% of the Group's equity investment in Tencent (US\$9.8 billion).

In FY 2018, net cash generated from investing activities increased by US\$4,941 million from US\$2,905 million in FY 2017 to US\$7,846 million in FY 2018, primarily due to the disposal of approximately 6% of the Group's equity investment in Tencent (US\$9.8 billion), partially offset by outflows in respect of the acquisition of associates and additional investments in existing associates, primarily Delivery Hero (US\$1.34 billion), MakeMyTrip (US\$155 million), Swiggy (US\$121 million), Remitly (US\$100 million), Kreditech (US\$99 million), Flipkart (US\$71 million) and various other smaller associates. In FY 2017, the Group received proceeds on the disposal of subsidiaries and businesses of US\$3.4 billion, primarily related to the disposal of the marketplace business, Allegro and Ceneo. No similar disposals took place in FY 2018.

For an overview of the various significant acquisitions and disposals in FY 2017, FY 2018 and FY 2019 and the three months ended 30 June 2019, see note 2 of the Annual Combined Carve-out Financial Statements and note 10 of the Interim Combined Carve-out Financial Statements.

Net cash utilised in financing activities

In the three months ended 30 June 2019, net cash utilised in financing activities decreased by US\$221 million from US\$376 million in the three months ended 30 June 2018 to US\$155 million in the three months ended 30 June 2019. In the three months ended 30 June 2019, the Group recorded an outflow of US\$52 million, compared to an outflow of US\$203 million in the prior period, related to additional investments in existing subsidiaries where the non-controlling interest was acquired, notably OLX Indonesia. Further, an inflow of US\$97 million was recorded, related to transactions with non-controlling shareholders, compared to an inflow of US\$7 million the prior period, as well as no dividends being paid by subsidiaries during the three months ended 30 June 2019 compared to an outflow of US\$16 million in the prior period. These positive cash flow movements were partially offset net repayments of related party funding which increased by US\$38 million for the period.

In FY 2019, net cash utilised in financing activities increased by US\$2,090 million from US\$31 million in FY 2018 to US\$2,121 million in FY 2019, primarily due to an outflow of US\$1,600 million in FY 2019 related to additional investments in existing subsidiaries where the non-controlling interest was acquired, notably in Avito, letgo USA and Dubizzle. This was partially offset by an inflow related to transactions with non-controlling shareholders of US\$58 million compared to an outflow of US\$43 million in FY 2018. In addition, related party funding net repayments increased by US\$402 million.

In FY 2018, net cash utilised in financing activities decreased by US\$211 million from US\$242 million in FY 2017 to US\$31 million in FY 2018, primarily due to an outflow related to transactions with non-controlling shareholders of US\$43 million compared to an inflow of US\$102 million in FY 2017 in respect of minority buyouts in FY 2018. This was partially offset by an increase in proceeds from the issue of a publicly traded bond for US\$1 billion, offset by the repayment of the 2017 bond of US\$700 million. In addition, related party funding repayments decreased by US\$69 million.

At the end of FY 2018 and FY 2019, the Group had cash and cash equivalents of US\$10,808 million and US\$2,123 million, respectively. The FY 2019 cash and cash equivalents excluded short-term investments of US\$7,037 million. The Group had available unused overdraft borrowing and credit facilities of US\$2,570 million as at the end of FY 2019.

Capital Resources

On 10 April 2018, the Group entered into a five-year Revolving Credit Facility, for general corporate purposes of the Group, 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 Company is the borrower under the Revolving Credit Facility and Naspers is the guarantor. It is governed by English law and matures on 13 April 2023. In April 2019, the Group exercised the first of two available extension options under the Revolving Credit Facility, requesting individual lenders to extend their commitments under the facility by one year. Lenders with total commitments of US\$2.28 billion agreed to extend the maturity date of their portion of the Revolving Credit Facility to 13 April 2024. 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. The Revolving Credit Facility is subject to certain undertakings concerning debt and interest cover and contains customary affirmative and negative covenants. See "*—Description of Indebtedness*".

The Group utilised overdrafts and call loans of US\$10 million and had undrawn banking facilities, principally the Revolving Credit Facility, of US\$2,557 million as at 30 June 2019. Facilities that are on call represented US\$33 million, facilities that will expire within one year represented US\$15 million and facilities that will expire after more than one year represented US\$2,509 million. The Group regularly discusses changes to the terms of its existing facilities and future funding requirements with various financial institutions to ensure that it maintains a good debt maturity and liquidity profile.

Description of Indebtedness

Set out below is a summary of certain of the Group's existing significant debt arrangements. This summary does not purport to be a complete description of all of the terms of these instruments and may not contain all of the information that may be important to prospective investors. Reference should be made to the full text of the underlying documents and investors should read the Combined Carve-out Financial Statements contained elsewhere in this Prospectus for additional information about the Group's indebtedness.

As of 30 June 2019, the Group's total debt (including finance leases and overdrafts) amounted to US\$3,455 million. The Group also has in place a Revolving Credit Facility (as defined below) with a total borrowing capacity of US\$2.5 billion. As of 30 June 2019, no amounts were outstanding under the Revolving Credit Facility.

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 and matures on 13 April 2023. In April 2019, the Group exercised the first of two available extension options under the Revolving Credit Facility, requesting individual lenders to extend their commitments under the facility by one year. Lenders with total commitments of US\$2.28 billion agreed to extend the maturity date of their portion of the Revolving Credit Facility to 13 April 2024.

Borrower and Guarantors

The borrower under the Revolving Credit Facility is the Company, and the Revolving Credit Facility is guaranteed by Naspers.

Interest Rates and Fees

The annual interest rate on borrowings under the Revolving Credit Facility is calculated based on EURIBOR for borrowings in Euro, or, in every other case, LIBOR, plus a margin of 1.25% per annum, plus certain mandatory costs. Interest on borrowings is payable on the last day of the borrowings' respective interest periods, or every six months for borrowings with an interest period exceeding six months. The borrower is also obligated to pay a commitment fee equal to 35% of the applicable margin per annum on the Lenders' undrawn commitments and a 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 ratio of Adjusted Consolidated EBITDA to Consolidated Net Finance Costs for the Naspers Group should not be less than a specified ratio of 4.5:1 (the **Interest Coverage Ratio**); and
- the ratio of Consolidated Total Net Borrowings to Adjusted Consolidated EBITDA for the Naspers Group should not be greater than a specified ratio of 2.75:1 (the **Leverage Ratio**).

Adjusted Consolidated EBITDA is defined as the consolidated EBITDA of the Naspers Group, plus or minus the Naspers Group's share of profits or losses of associates and joint ventures for that period, adjusted, among others: (i) for gains or losses on restructuring of activities, disposals of non-current assets, or assets associated with discontinued operations; (ii) to include EBITDA for the full measurement period of entities acquired during the measurement period; (iii) to exclude EBITDA from the full measurement period of entities disposed of during the measurement period; (iv) to include charges attributable to leases to which

the Naspers Group is a party to; and (v) to exclude unrealised gains and losses on any derivative instruments reported through the income statement, equity settled and share-based compensation.

Net Finance Cost is defined as the Naspers Group's net consolidated interest income and expenses excluding finance cost incurred related to leases, amortisation of fees/costs in connection with raising of financial indebtedness, and any capitalised and non-cash finance costs during the relevant measurement period.

Consolidated Total Net Borrowings is defined as the Naspers Group's total consolidated borrowings less total consolidated cash and cash equivalents, including short-term investments (which represent term deposits placed with financial counterparties with an initial investment period of less than 12 months).

As of 30 June 2019, the Naspers Group was in compliance with the financial covenants under the Revolving Credit Facility. The Interest Coverage Ratio and the Leverage Ratio were not applicable to the Naspers Group during the measurement period ended 30 June 2019 as the Naspers Group's interest income exceeded its interest cost and its consolidated cash and cash equivalents exceeded its consolidated borrowings.

Change of Control

The commitments of the lenders under the Revolving Credit Facility may be cancelled and all outstanding loans, together with accrued interest and all other amounts accrued, may be declared immediately due and payable in case any person or group of persons acting in concert gains control of the Naspers 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 or Naspers Limited and certain acquisitions of business which are not complementary with or related to any of the businesses of the Group. The Revolving Credit Facility also contains, among others, the following affirmative covenants: mandatory periodic reporting of financial information, notice upon the occurrence of events of default and certain other events, compliance with laws and the maintenance of certain insurance coverage. The borrower and guarantors must also ensure that their payment obligations under the facilities at all times rank at least *pari passu* with all their other present and future unsecured payment obligations, except for obligations mandatorily preferred by law applying to companies generally.

Events of Default

The Revolving Credit Facility contains customary events of default, such as failure to make payment of amounts due, defaults under other agreements evidencing indebtedness, failure to meet the financial covenants, the borrower ceasing to be a subsidiary of Naspers, 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 Naspers 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 2020 Notes

The Company issued the 6.000% 2020 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 18 July 2013 (the **2020 Fiscal and Paying Agency Agreement**), among the Company, Naspers as the parent guarantor and Citibank, N.A., London Branch as fiscal agent, paying agent and transfer agent. US\$750 million of the 2020 Notes were issued at a price of 100.0% of the aggregate principal amount, and US\$250 million of the 2020 Notes were issued at a price of 101.0% of the aggregate principal amount. Interest on the 2020 Notes is payable semi-annually on 18 January and 18 July of each year. The 2020 Notes will mature on 18 July 2020.

The 2020 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, subject to certain exceptions and qualifications. The 2020 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 2020 Fiscal and Paying Agency Agreement will allow the holders of at least 25% in aggregate principal amount of the then-outstanding 2020 Notes to accelerate the amounts due under the 2020 Notes.

Off-Balance Sheet Arrangements, Contractual Obligations and Contingent Liabilities

Contractual Obligations

As of 31 March 2019, the Group had no significant off-balance sheet arrangements. The table below sets forth the Group's known contractual obligations as of 31 March 2019.

	Payments Due by Period			
	Total	Less than 1 year	1-5 years	More than 5 years
	<i>(US\$ in millions)</i>			
Long-term debt liabilities ⁽¹⁾	3,271	19	1,026	2,226
Capital (finance) lease liabilities ⁽²⁾	9	3	6	—
Operating lease obligations ⁽³⁾	181	34	111	36
Purchase obligations ⁽⁴⁾	23	13	10	—
Derivative financial liabilities ⁽⁵⁾	1,295	209	125	961
Written put obligation liabilities ⁽⁶⁾	827	289	538	—
Other long-term liabilities reflected on the combined balance sheet under IFRS ⁽⁷⁾	2	—	2	—
Total gross contractual obligations	5,608	567	1,818	3,223

(1) Long-term debt obligations include interest-bearing loans and notes of US\$3,260 million, and non-interest-bearing loans of US\$11 million. Long-term debt obligations exclude bank overdrafts and call loans of US\$8 million, which are due within one year. Long-term debt obligations do not include interest payable on the related obligations.

(2) Capitalised finance leases include lease obligations relating to buildings, vehicles, computers, furniture and office equipment.

(3) Operating lease obligations include future operating lease payments relating to office, manufacturing and warehouse space.

(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 advertising, computer support services, access to networks 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 and cross-currency interest rate swaps at 31 March 2019.

(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 18 of the Annual Combined Carve-out Financial Statements.

(7) Other long-term liabilities reflected on the balance sheet include post-employment medical benefit obligations.

Effective 1 April 2019, the Group adopted IFRS 16 *Leases*. Accordingly, contractual obligations relating to the capital lease liabilities as at 30 June 2019 amounted to US\$187 million, of which US\$41 million is classified as current. Capitalised lease liabilities include those leases previously classified as operating leases in terms of IAS 17 *Leases*, and which were not recognised on the statement of financial position. Further, as at 30 June 2019 short-term lease obligations amounted to US\$3 million. For an overview of the adoption of the new accounting pronouncement in the three months ended 30 June 2019, see note 2 of the Condensed Combined Carve-out Financial Statements.

Contingent Liabilities and 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 has a contingent asset of US\$177 million at 30 June 2019. (FY 2019: US\$177 million, FY 2018: US\$nil and 2017: US\$nil) related to amounts receivable from tax authorities. See “*Risk Factors—Uncertainties exist with respect to the newly enacted 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*”.

Critical Accounting Policies

The Combined Carve-out 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, 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 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 the Group's previously held equity interest forms part of the consideration transferred in the business combination at the acquisition date.

When a selling shareholder is required to remain in the Group's employment subsequent to a business combination, any retention 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 believe 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. 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 value in use is based on discounted cash flow calculations. The Group bases cash flow calculations on three- to 10- year budgeted and forecast information approved by management and the various boards of directors of Group companies. Long-term average growth rates for the respective countries in which the entities operate or where more appropriate, the growth rate of the cash-generating units, 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. 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. Where fair value less costs of disposal is used to calculate recoverable amounts, it is based on publicly traded market prices.

The discount rates applied to the cash flows, the growth rate to extrapolate the cash flows and the basis for determining the recoverable amounts are disclosed per cash-generating unit in the Combined Carve-out Financial Statements. The Group believes that the accounting estimate relating to goodwill impairment is a critical accounting estimate because, similar to the assessment of impairment of other intangible assets, the discounted cash flows are highly susceptible to change from period to period because it requires management to make assumptions about future sales volumes and the cost of providing services over the life of the goodwill as well as discount rates for media-based businesses in developing markets. Recognising an impairment loss could have a material impact on the value of the goodwill reported in the Group's statement of financial position and the results of operations.

In the three months ended 30 June 2019 and 30 June 2018, the Group did not recognise any impairment losses on goodwill.

The Group recognised impairment losses on goodwill of US\$6 million during FY 2019. The impairment losses related primarily to an Etail business in Eastern Europe and Movile's LBS business in Brazil, where results of operations lagged behind management's expectations.

The Group did not recognise any impairment losses on goodwill during FY 2018.

The Group recognised impairment losses on goodwill of US\$5 million during FY 2017. The impairment losses related primarily to the Group's fashion business in Turkey and the Ukraine marketplace business, where results of operations 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 its 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 three months ended 30 June 2019 and the three months ended 30 June 2018, the Group did not recognise any impairment losses on other intangible assets.

In FY 2019, the Group recognised impairment losses on other intangible assets of US\$1 million. The impairment losses related mainly to intellectual property rights which are no longer used.

In FY 2018, the Group recognised impairment losses on other intangible assets of US\$4 million. The impairment losses related mainly to a patent for a Russian Classifieds business that is no longer used.

In FY 2017, the Group recognised impairment losses on other intangible assets of US\$24 million. The impairment losses related mainly to the Group's fashion business in Turkey, where results of operations have lagged behind management's expectations, and the impairment of a fashion brand which is no longer used.

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 its 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 the Group. 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 its statement of financial position and the results of operations.

In the three months ended 30 June 2019 and the three months ended 30 June 2018, the Group did not recognise any impairment losses on investments in associated companies and joint ventures.

In FY 2019, the Group recognised impairment losses of US\$88 million related to the investment focussed on providing consumer lending and financial services in the Payments and Fintech business. The investment was impaired based on the performance and the opportunity to leverage the investment in some core markets falling below management's expectations. In addition, other smaller Ventures investments were fully impaired based on their performance.

In FY 2018, the Group recognised impairment losses of US\$46 million related primarily to investments in Ekhanei, its Classifieds business in Bangladesh, where together with the other shareholder, the Group shut down the online platform, Kaidee, a Classifieds business in Thailand, where the investment was impaired to its fair value pursuant to the disposal of the business, and FarmLogs, where the performance of this investment fell behind management's expectations.

In FY 2017, the Group recognised the reversal of impairment losses of US\$1 million due to a partial disposal of the related investment.

Disposals of Associated Companies, Joint Ventures and Subsidiaries

When the Group 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 it 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 the Group 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.

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 and the results of operations.

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 its 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 that the matters has 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 30 June 2019, the Group has provided US\$11 million (as of 31 March 2019: US\$10 million, as of 31 March 2018: US\$8 million and as of 31 March 2017: US\$11 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 Combined 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. The Group 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 functional currencies of Group entities 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 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 its interest in Tencent), Euro, Brazilian Real, Russian Rouble, Indian Rupee, Polish Zloty and Romanian Lei. The Group is also exposed to the South African Rand, albeit to a lesser extent.

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 Group is reliant on cash extractions from its subsidiaries and associate investments to meet its central cash obligations, which includes 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 its annual dividend from Tencent), Russian Rouble, Polish Zloty and Romanian Lei.

The Group's revenue and most of its expenses are denominated local currencies. A depreciation of the local currency against the U.S. Dollar would adversely affect its reported earnings and its 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 36 of the Combined Carve-out Financial Statements.

Treasury and Financial Policies

Financial risk management is carried out by the management of the Group 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 Group 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. It 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 counterparties that are used by the Group are evaluated on a continuous basis.

The Group is exposed to interest rate risk on its short-term investments and cash balances. Almost all its outstanding debt is the form of fixed-rate bonds.

Where the Group has surplus funds, its treasury policy is to retain it in U.S. Dollar or other currencies to the extent of anticipated commitments in those currencies within a two-year window. As of 30 June 2019, the Group had a net cash balance, including short-term investments, of US\$9,151 million (as at 31 March 2019: US\$9,160 million, as at 31 March 2018: US\$10,808 million and as at 31 March 2017: US\$3,209 million). Of these totals, the amount of US\$8,229 million (as at 31 March 2019: US\$8,453 million, as at 31 March 2018: US\$10,110 million and as at 31 March 2017: US\$2,542 million) held centrally, was largely denominated in U.S. Dollar and Euro.

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 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 its policies. These policies have been approved by 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 it 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 that it faces, see note 36 of the Annual Combined Carve-out Financial Statements.

Interest Rate Risk

As part of the process of managing the mix of the Group's fixed and floating rate borrowings, 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

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, or operating expenses.

A summary the Group's foreign exchange exposure is described under "*Currency Policies*".

MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

General

This section gives an overview of the material information concerning the Board, the Senior Management (as defined below), the Group's employees and its corporate governance. It is based on, and discusses, relevant provisions of Dutch and South African law in effect as at the date of this Prospectus, the Articles of Association and the Board Charter. The full text of the Articles of Association (in Dutch, and an unofficial English translation) and the Board Charter (in English) will be available free of charge on the Company's website (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.

Management Structure

It is intended that the governance structures of the Company will substantially mirror those of Naspers.

The Company has a one-tier board structure comprising executive and non-executive Directors. The executive Directors are responsible for the Company's day-to-day management, which includes, among other things, formulating its strategies and policies and setting and achieving its objectives. The non-executive Directors supervise and advise the executive Directors. Each Director has a duty to the Company to properly perform the duties assigned to each Director and to act in its corporate interest. Under Dutch law, the Company's corporate interest extends to the interests of all its stakeholders, including its shareholders, creditors and employees. The executive Directors, together with the senior managers of the Company listed under "*—Senior Management*" form the senior management of the Company (the **Senior Management**).

As at the date of this Prospectus, the provisions in Dutch law, which are commonly referred to as the "*large company regime*" (*structuurregime*), do not apply to the Company. The Company does not intend to voluntarily apply the "*large company regime*".

Board

Powers, Responsibilities and Functioning

The Board is the executive and supervisory body of the Company. It is entrusted with the management of the Company, it supervises the general course of affairs in the Company and the business affiliated with the Company and is responsible for the continuity of the Company. The Board is accountable for these matters to the General Meeting.

The Board's responsibilities include, among other things, setting the Company's management agenda, developing a view on long-term value creation by the Company, enhancing the performance of the Company, developing a strategy, identifying, analysing and managing the risks associated with the Company's strategy and activities and establishing and implementing internal procedures, which safeguard that all relevant information is known to the Board in a timely manner. The Board may perform all acts necessary or useful for achieving the Company's corporate purposes, except for those expressly attributed to the General Meeting as a matter of Dutch law or pursuant to the Articles of Association (see "*—Board Meetings and Decision-making*"). Pursuant to the Articles of Association, the Board may delegate duties and powers to individual Directors, the joint executive Directors and/or committees consisting of two or more Directors whether or not assisted by staff officers. In fulfilling their responsibilities, the Directors must act in the interest of the Company and give specific attention to the relevant interests of the Company's clients, employees, lenders, suppliers, shareholders and other stakeholders of the Company. The Board Charter furthermore provides that the Board focuses on long-term value creation for the Company.

Subject to certain statutory exceptions, the Board as a whole is authorised to represent the Company. Additionally, any executive Director, individually, is authorised to represent the Company. See "*—Conflicts of Interest*". Pursuant to the Articles of Association, the Board may grant one or more persons, whether or not employed by the Company, a power of attorney or other form of continuing authority to represent the Company or to grant one or more persons such titles as it sees fit.

Dutch law provides that resolutions of the Board involving major changes in the Company's identity or character are subject to the approval of the General Meeting. See "*—Board Meetings and Decision-making*".

Board Charter

Pursuant to the Articles of Association, the Board may adopt rules and regulations that allocate duties to one or more Directors and regulate any such subjects as the Board deems necessary or appropriate

(the **Board Charter**). The Board Charter may describe the duties, tasks, composition, procedures and decision-making of the Board. As at the date of this Prospectus, the Board has adopted a Board Charter.

Composition, Appointment, Dismissal and Suspension

The Articles of Association provide that the Board comprises of at least two or more executive Directors and at least two non-executive Directors and not more than 20 Directors. The Board may, in its sole discretion, impose that in order to become or remain a Director or a prescribed officer of the Company, a person must be, and remain, independent from any competitor of the Company and, in particular, other internet and technology companies as determined by the Board from time to time. This right of the Board does not create a quality requirement for the Directors as meant in Section 2:132, subsection 2 of the Dutch Civil Code (*Burgerlijk Wetboek*) (the **Dutch Civil Code**).

The General Meeting appoints the Directors. A resolution of the General Meeting to appoint a Director, other than in accordance with a nomination by the Board, may only be adopted by an absolute majority of the votes cast by shareholders representing more than one-third of the issued capital of the Company.

The General Meeting may only vote on a resolution to appoint a Director that is listed as a candidate on the agenda of the meeting. If a candidate nominated by the Board is not appointed, the Board has the right to nominate a new candidate for appointment at the next General Meeting.

The Articles of Association provide that a Director may be suspended or, subject to the applicable laws and regulations, removed as a Director by the General Meeting at any time. In addition, an executive Director may be suspended by the Board at any time. A suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end. A suspension can be ended by the General Meeting at any time.

A resolution of the General Meeting to suspend or dismiss a Director, other than on the proposal of the Board, may only be adopted by the General Meeting with an absolute majority of the votes cast, representing more than one-third of the issued capital of the Company.

Term of Appointment

The Articles of Association provide that each non-executive Director shall be appointed for a period of not more than three years. A Director's term of office shall lapse in accordance with the rotation schedule drawn up by the Board. A non-executive Director may be reappointed for additional periods of not more than three years. The Company's diversity policy, drawn up in accordance with the Board Charter, will be considered in the preparation of the nomination for appointment or reappointment.

The independence of non-executive Directors is assessed prior to their appointment to the Board and, thereafter, annually. The Company will align the rotation periods of the non-executive directors of the Company with the rotation periods of the non-executive directors of Naspers.

Diversity

The Company recognises the benefits of having a diverse Board and sees diversity at Board level as an important element in maintaining a competitive advantage. A diverse Board will include, and make use of, differences in the background, gender, geographical and industry experience, skills and other distinctions between Directors. These differences will be considered in determining the composition of the Board and, when possible, will be balanced appropriately. Board appointments are made on merit, in the context of the diversity, experience, independence, knowledge and skills the Board as a whole requires to be effective. The Board is satisfied that its composition reflects the appropriate mix of diversity, experience, independence, knowledge and skills.

Pursuant to Dutch law, certain large Dutch companies must pursue a policy of having at least 30% of the seats on the board of directors to be held by men and at least 30% of those seats to be held by women. This allocation of seats will be taken into account in connection with the appointment, or nomination for the appointment, of Directors and the drafting of the criteria for the size and composition of the Board, as well as the designation, appointment, recommendation and nomination for appointment of Directors. The Company qualifies as a large company for purposes of the diversity policy regime. The Board diversity policy, among other things, addresses gender diversity at Board level. The Board diversity policy will be taken into account when considering the appointment and reappointment of Directors. As at the date of this Prospectus, the Company does not meet the applicable gender diversity targets. Subject to the below, the Company will therefore be required to explain in its annual report for FY 2020: (i) why the seats are not

allocated in a well-balanced manner; (ii) how the Company has attempted to achieve a well-balanced allocation; and (iii) how the Company aims to achieve a well-balanced allocation in the future. This legislation is temporary and will cease to have effect on 1 January 2020. The Dutch legislature is evaluating the effectiveness of these rules, which may result in further legislation in this respect. In March 2019, the Dutch Minister of Education, Culture and Science noted that additional gender diversity measures may be implemented if there is no improvement in the gender diversity of these large Dutch companies by autumn of 2019.

On 7 May 2019, Naspers announced that Manisha Girotra will be appointed as a non-executive Director of the Company and a non-executive director of Naspers after the date of the Admissions. Once she is appointed as a non-executive Director, the Board will comprise 13 men (approximately 76%) and four women (approximately 24%).

Limitation of Supervisory and Non-executive Positions

Pursuant to Dutch law, there are limitations to the number of supervisory or non-executive positions persons can hold on the boards of directors of large Dutch companies. The Company qualifies as a “*large Dutch Company*”.

A person cannot be appointed as a managing or executive director of a “*large Dutch company*” if: (i) he/she already holds a supervisory or non-executive position at more than two other “*large*” Dutch public or private companies or “*large*” Dutch foundations; or (ii) if he/she is the Chair of the supervisory board or one-tier board of directors of another “*large*” Dutch public or private company or “*large*” Dutch foundation. Also, a person cannot be appointed as a supervisory director or non-executive director of a “*large Dutch company*” if he/she already holds a supervisory position or non-executive position at five or more other “*large*” Dutch public or private companies or Dutch foundations, whereby the position of Chair of the supervisory board or one-tier board of directors of another “*large*” Dutch company is counted twice. The term “*large Dutch company*” applies to any Dutch company or Dutch foundation that at two consecutive balance sheet dates meets at least two of the following criteria: (i) the value of its assets, as given in its balance sheet (together with explanatory notes) on the basis of their acquisition price and production costs, is more than €20 million; (ii) its net turnover in the applicable year is more than €40 million; and (iii) the average number of employees in the applicable fiscal year is at least 250. An appointment in violation of these restrictions will result in that last appointment being void. Earlier appointments at other entities are not affected. The fact that an appointment is thus void does not affect the validity of decision-making.

As at the date of this Prospectus, the Company meets these requirements, as none of the Directors holds any other supervisory position with a large Dutch company.

Board Meetings and Decision-making

Pursuant to the Articles of Association, the Board meets as often as deemed desirable by the Chair, the Chief Executive Officer of the Company or one-third of the Directors, but at least four times each fiscal year.

Pursuant to the Articles of Association, Board resolutions are adopted by absolute majority of the votes cast. If there is a tie in voting, the proposal is rejected. Resolutions taken at a meeting of the Board shall only be valid if at least a majority of the Directors is present or represented at the meeting. However, the Board may designate types of resolutions which are subject to different requirements. These types of resolutions and the nature of the difference must be clearly specified and laid down in writing. A Director may only be represented by another Director, and only for a specific meeting.

For adoption of a resolution other than at a meeting, it is required that the proposal is submitted to all Directors, none of them has objected to the relevant manner of adopting resolutions, and a simple majority of the Directors, or a qualified majority of the Directors, has signed or otherwise approved the resolution.

Dutch law and the Articles of Association provide that resolutions of the Board involving major changes in the Company’s identity or character are subject to the approval of the General Meeting. Such changes include:

- the transfer of all or a substantial portion of the business and/or assets of the Company to a third party;

- entering into or terminating a long-term cooperation between the Company or a subsidiary (*dochtermaatschappij*) and another legal entity or company or as a fully liable partner in a limited partnership or general partnership, if such cooperation or termination is of fundamental importance for the Company; and
- acquiring or disposing of a participation in the capital of a company if the value of such participation is at least one-third of the sum of the assets of the Company according to its consolidated balance sheet and explanatory notes set out in the last adopted annual accounts of the Company, by the Company or a subsidiary (*dochtermaatschappij*).

In each of the above-mentioned situations, the absence of approval (from the General Meeting) does not affect the authority of the Board or the Directors to represent the Company.

Board Committees

The Board remains accountable for the performance and affairs of the Company. As at the date of this Prospectus, the Board has constituted five committees from among the Directors to assist it to discharge its duties: an audit committee (the **Audit Committee**), a human resources and remuneration committee (the **Human Resources and Remuneration Committee**), a nomination committee (the **Nomination Committee**), a project committee (the **Project Committee**) and a risk committee (the **Risk Committee**). Certain Directors are also members of the Naspers Board's social and ethics committee (the **Naspers Social and Ethics Committee**).

Audit Committee

According to its charter, the Audit Committee advises the Board on all matters required to be dealt with by an audit committee in terms of applicable law, regulation and stock exchange rules, including reviewing the annual accounts, integrated annual report and internal controls. The Board believes that all members of the Audit Committee are financially literate and have business as well as financial acumen. The Chief Executive Officer and the Financial Director of the Company attend committee meetings by invitation. The Chair of the Board is not a member of the Audit Committee, but may attend meetings by invitation. The chair of the Audit Committee may not be a former executive director of the Company.

The Audit Committee comprises independent non-executive Directors appointed by the Board with a minimum of three members. At the date of this Prospectus, the Audit Committee comprises: Don Eriksson, as Chair of the committee, Rachel Jafta and Ben van der Ross.

The internal and external auditors have access to the Audit Committee, through its Chair, and attend committee meetings by invitation. The internal and external auditors may also report their findings to the Audit Committee, with members of executive management not in attendance. The Audit Committee will meet at least three times a year, and also as often as any of its members considers necessary.

The Audit Committee's main responsibilities include, among other things: (i) reviewing and approving for presentation to, and approval by, the Board, the Company's integrated annual report, including non-executive reports, annual accounts, interim and provisional reports, and any other Company press releases with material financial or internal control impacts; (ii) reviewing the viability of the Company and the Group on a going-concern basis; (iii) overseeing the internal audit function, approving the external auditor's terms of engagement and remuneration, annually reviewing the external audit on quality and independence and evaluating the external auditor; (iv) ensuring a combined assurance model is applied, which incorporates and optimises the various assurance services and functions, so that, taken as a whole, they support the objectives for assurance; (v) ensuring that the combined assurance model is designed and implemented to cover effectively the Company's significant risks and material matters through a combination of assurance service providers and functions as is appropriate for the Company; (vi) overseeing the management of financial and other risks that affect the integrity of external reports issued by the Company; (g) undertaking of preparatory work for the Board's decision-making regarding the integrity and quality of the Company's financial reporting and the effectiveness of internal risk management and control systems; (vii) reviewing procedures to ensure that the requirements of the relevant stock exchanges are complied with; (viii) reviewing practices in light of the Dutch Corporate Governance Code (as defined below) and make specific disclosures recommended by the Dutch Corporate Governance Code; (ix) monitoring compliance with Board-approved Group levels of authority; (x) monitoring related party transactions; and (xi) annually evaluating the performance and appropriateness of the expertise and experience of the Financial Director and the finance function, and disclose the results in the integrated annual report.

Human Resources and Remuneration Committee

According to the charter of the Human Resources and Remuneration Committee, the Human Resources and Remuneration Committee assists the non-executive Directors in the all areas (policies, processes and governance) of remuneration and management development.

The Human Resources and Remuneration Committee comprises at least three non-executive Directors appointed by the Board, the majority of whom are independent non-executive Directors. At the date of this Prospectus, the Human Resources and Remuneration Committee comprises: Craig Enenstein, as Chair of the committee, Koos Bekker, Fred Phaswana, Emilie Choi and Roberto Oliveira de Lima. Executive Directors and certain members of management attend meetings by invitation as appropriate. The Human Resources and Remuneration Committee shall meet as often as required for a proper functioning of the committee. It shall meet at least twice a year.

The Human Resources and Remuneration Committee's main responsibilities include, among other things: (i) advising the Board on the remuneration of the executive Directors; (ii) annually submitting a proposal to the Board for the remuneration policy to be pursued; (iii) annually preparing the remuneration report to be tabled at the General Meeting; (iv) reviewing and approving annually the remuneration packages of the most senior executives, ensuring they are appropriate and in line with the remuneration policy; (v) annually appraising the performance of the Chief Executive Officer and the Company Secretary of the Company; (vi) reviewing annually the remuneration of non-executive Directors. The necessary proposals in this regard are presented to the Board for final approval by the General Meeting at an annual General Meeting. Remuneration must be approved by the General Meeting in advance; (vii) fulfilling delegated responsibilities with regard to the share based incentive plans (e.g., the appointment of trustees); (viii) recommending to the Board the appointment of the executive Directors; (ix) reviewing incidents of unethical behaviour by the executive Directors and senior management of the Company; (x) approving amendments to the Company's share-based incentive plans; (xi) reviewing annually the Company's Code of Ethics and Business Conduct; and (xii) performing an annual evaluation of whether the Human Resources and Remuneration Committee has fulfilled its responsibilities in terms of its charter, and reporting these findings to the Board.

Nomination Committee

The Nomination Committee comprises at least three non-executive Directors appointed by the Board, the majority of whom are independent non-executive Directors. At the date of this Prospectus, the Nomination Committee comprises five independent non-executive Directors and one non-executive Director: Rachel Jafta, as Chair of the committee, Koos Bekker, Fred Phaswana, Hendrik du Toit, Craig Enenstein and Roberto Oliveira de Lima. Executive Directors and certain members of management may attend meetings by invitation. The Nomination Committee shall meet as often as required for a proper functioning of the committee. It shall meet at least twice a year.

The Nomination Committee's main responsibilities include, among other things: (i) determining for approval by the Board: (a) the Board diversity policy; (b) restrictions on the number of listed company boards of directors on which a director may serve; (c) the service period of directors; and (d) retirement and succession in respect of Directors (including making recommendations to the Board with regard to the appointment of new Directors); (ii) reviewing annually the structure, size and composition of the Board and, where appropriate, making recommendations to the Board in respect thereof; (iii) reviewing the allocation of roles and associated responsibilities, composition and effectiveness of the Board committees; (iv) approving the role and responsibilities of the Chair of the Board and the lead independent director of the Board (the **Lead Independent Director**) and ensure there is a succession plan in place for the position of the Chair of the Board; (v) evaluating annually the Board and the individual Directors to establish whether the service of any director should be terminated; (vi) formally evaluate every year the performance of the Chair of the Board and making the necessary recommendations to the Board in this regard; and (vii) evaluating annually the performance and independence of the Company Secretary of the Company.

Project Committee

The Project Committee comprises one independent non-executive Director, two non-executive Directors, one being the Chair of the Board, who also serves as the Chair of this committee, and two of the executive Directors. At the date of this Prospectus, the Project Committee comprises: Koos Bekker, as Chair of the committee, Steve Pacak, Fred Phaswana, Basil Sgourdos and Bob van Dijk. This committee acts on behalf of the Board in respect of the management of urgent matters when the Board is not in session, subject to statutory limits and the Board's limitations on delegation.

Risk Committee

The Risk Committee comprises at least three independent non-executive Directors, and the Chief Executive Officer and the Financial Director of the Company. At the date of this Prospectus, the Risk Committee comprises: Don Eriksson, as Chair of the committee, Emilie Choi, Rachel Jafta, Steve Pacak, Basil Sgourdos, Ben van der Ross and Bob van Dijk. Members of the Risk Committee are individuals with risk management skills and experience. Among others, the main responsibility of this committee is to assist the Board in its responsibilities regarding the governance of risk and opportunities through formal processes. The Risk Committee shall meet as often as required for a proper functioning of the committee. It shall meet at least twice a year.

The Risk Committee's main responsibilities include: (i) overseeing compliance; (ii) overseeing technology and information management; (iii) reviewing and approving a risk management policy and legal compliance policy, and recommending such policies to the Board for approval. The risk policy and plan are reviewed annually; (iv) monitoring the implementation of the risk policy and plan, ensuring an appropriate enterprise-wide risk management system is in place with adequate and effective processes that include compliance, ethics, information technology, operations, reporting, strategy and sustainability; and (v) making recommendations to the Board on risk indicators, levels of risk tolerance and risk appetite as well as the limit of the potential loss that the Group has the capacity to tolerate; exercising ongoing oversight of risk management.

Naspers Social and Ethics Committee

The Naspers Social and Ethics Committee comprises a majority of non-executive directors of Naspers, the majority of whom are independent, in particular, the Chair of the Audit and Risk Committee, the Chief Executive Officer of the Company and the Chief Executive Officer of Media24. At the date of this Prospectus, the Naspers Social and Ethics Committee comprises: Don Eriksson, as Chair of the committee, Ishmet Davidson, Rachel Jafta, Nolo Letele, Debra Meyer, Cobus Stofberg and Bob van Dijk. The Naspers Social and Ethics Committee shall meet as often as required for a proper functioning of the committee. It shall meet at least twice a year.

The main responsibilities of the Naspers Social and Ethics Committee are to assist the Naspers Board in: (i) overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainability and stakeholder relationships in relation to the Naspers Group, including the Group, taking into account the requirements of the South African Companies Act and the specific disclosures and best practice as recommended by the King Report on Corporate Governance for South Africa, 2016 (the **South African King Code**); and (ii) assisting the Board to develop and supervise implementation of the long-term value creation strategy by bringing to the Board's attention stakeholder interest and relevant sustainability aspects, such as those recommended by the Dutch Corporate Governance Code.

Conflicts of Interest

Dutch law provides that a member of the board of directors of a Dutch public limited liability company, such as the Company, may not participate in the deliberation or decision-making of a relevant board resolution if he or she has a direct or indirect personal interest conflicting with the interests of the relevant company and the business connected with it. Such a conflict of interest in any event exists if, in the situation at hand, the Director is deemed to be unable to serve the interests of the Company and the business connected with it with the required level of integrity and objectivity.

Pursuant to the Articles of Association, a Director having a conflict of interest must declare the nature and extent of that interest to the other Directors. If the conflict of interest concerns all Directors, the declaration must be made to the General Meeting as well. A Director may not participate in deliberation or decision-making by the Board if, with respect to the matter concerned, the Director has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it. This prohibition does not apply if the conflict of interest exists for all Directors. The Director who, due to a conflict of interest, is unable to participate in the deliberation and decision-making of the Board with respect to the relevant matter giving rise to the conflict of interest, will to the extent of that inability be regarded as a Director who is unable to perform their duties (*belet*).

In addition, if a Director does not comply with the provisions on conflicts of interest, the resolution concerned is subject to nullification (*vernietigbaar*) and such Director may be held liable by the Company. As a general rule, the existence of a (potential) conflict of interest does not affect the authority to represent the Company as described under "*—Powers, Responsibilities and Functioning*". Furthermore, as a general rule, agreements and transactions entered into by a company cannot be annulled on the grounds that, a

decision of its board of directors was adopted with the participation of a member of the board of directors, of which one or more directors had a conflict of interest with respect to the matter, cannot be annulled. However, under certain circumstances, a company may annul such an agreement or transaction if the counterparty misused the relevant conflict of interest.

Lead Independent Director

The Company will appoint a Lead Independent Director in accordance with the South African King Code when the Chair is not considered to be independent. As at the date of this Prospectus, Fred Phaswana is the Lead Independent Director. The Lead Independent Director does not have any powers in addition to those of being a non-executive Director. The primary function of the Lead Independent Director is to lead the Board when the Chair of the Board is unable to perform his/her duties or is conflicted. In such an event, the Lead Independent Director will take over as an interim measure until a new candidate has been determined or the Chair of the Board is able to resume his/her responsibilities.

Directors

As at the date of this Prospectus, the Board comprises the following Directors:

Name	Age	Position	Date first appointed to the Naspers Board	Date last appointed to the Naspers Board⁽ⁱⁱⁱ⁾
Bekker, Jacobus Petrus (Koos)...	66	Non-executive Chair Chief Executive Officer and	17 April 2015	23 August 2019
Van Dijk, Bob.....	46	executive Director Financial Director and	1 April 2014	29 August 2014
Sgourdos, Vasileios (Basil).....	49	executive Director	1 July 2014	29 August 2014
Choi, Emilie Monica	41	Non-executive Director ⁽ⁱ⁾⁽ⁱⁱ⁾	21 April 2017	25 August 2017
Du Toit, Hendrik Jacobus.....	57	Non-executive Director ⁽ⁱ⁾⁽ⁱⁱ⁾	1 April 2016	24 August 2018
Enenstein, Craig Lawrence.....	50	Non-executive Director ⁽ⁱ⁾⁽ⁱⁱ⁾	16 October 2013	24 August 2018
Eriksson, Donald Gordon (Don)	74	Non-executive Director ⁽ⁱ⁾⁽ⁱⁱ⁾	16 October 2013	24 August 2018
Jafta, Rachel Catharina Cornelia Letele, Francis Lehlohonolo	58	Non-executive Director ⁽ⁱⁱ⁾	23 October 2003	25 August 2017
Napo (Nolo).....	69	Non-executive Director	22 November 2013	26 August 2016
Meyer, Debra	52	Non-executive Director ⁽ⁱⁱ⁾	25 November 2009	23 August 2019
Oliveira de Lima, Roberto.....	68	Non-executive Director ⁽ⁱ⁾⁽ⁱⁱ⁾	16 October 2013	24 August 2018
Pacak, Stephan Joseph Zbigniew (Steve).....	64	Non-executive Director	15 January 2015	23 August 2019
Phaswana, Tshamano Mohau Frederik (Fred).....	75	Non-executive Director and Lead Independent Director ⁽ⁱⁱ⁾	23 October 2003	25 August 2017
Sorour, Mark Remon.....	57	Non-executive director	15 January 2015	24 August 2018
Stofberg, Jacobus Du Toit (Cobus).....	68	Non-executive Director	16 October 2013	23 August 2019
Van der Ross, Benedict James (Ben).....	72	Non-executive Director ⁽ⁱⁱ⁾	12 February 1999	23 August 2019

(i) The Director is an independent non-executive Director for the purposes of the Dutch Corporate Governance Code.

(ii) The Director is an independent non-executive Director for the purposes of the South African King Code. When considering the composition of any Board committee, the Company will apply the test for a non-executive Director's independence set out in the South African King Code.

(iii) The dates set out above are the dates on which these persons were appointed to the Naspers Board, which, in the case of the non-executive Directors, will be date from which their appointment to the Board will be calculated for purposes of determining their retirement by rotation. The Articles of Association provide that each non-executive Director shall be appointed for a period of not more than three years. A Director's term of office shall lapse in accordance with the rotation schedule drawn up by the Board. A non-executive Director may be reappointed for additional periods of not more than three years. See "*—Board—Term of Appointment*". Bob van Dijk and Basil Sgourdos were appointed to the Board on 16 May 2019. All the non-executive Directors were appointed to the Board on 14 August 2019.

On 7 May 2019, Naspers announced that Manisha Girotra (50) will be appointed as a non-executive Director of the Company and a non-executive director of Naspers after the date of the Admissions. It is expected that she will be an independent non-executive Director for the purposes of the Dutch Corporate Governance Code and the South African King Code. As at the date of this Prospectus, she is not, and as at the date of the Admissions she will not be, a Director.

Biographies

Koos Bekker is the non-executive Chair of the Board. He led the founding team of the M-Net/MultiChoice pay-television business in 1985. He was also a founder of MTN Group Limited, a South Africa-based multinational mobile telecommunications company. He headed the Group in its international and internet expansion until 1997, when he became Chief Executive Officer of Naspers. He retired as the Chief Executive Officer of Naspers on 31 March 2014. On 17 April 2015, he succeeded Theunissen Vosloo as Chair of the Naspers Board. He holds a BA (Hons) and honorary doctorate in commerce from Stellenbosch University, an LLB from the University of the Witwatersrand and an MBA from Columbia University.

Bob van Dijk is the Chief Executive Officer of the Company and an executive Director. He was appointed as Chief Executive Officer of Naspers in April 2014. He joined the Group as Allegro Group Chief Financial Officer in August 2013 and was promoted to Chief Executive Officer Global Transactions Ecommerce in October 2013. He has over 15 years of general management experience in online growth businesses, globally, spanning the online marketplaces, online classifieds and fashion segments. Prior to his general management career, he was a founder of an online financial derivatives marketplace. He started his career at McKinsey & Company, focusing on mergers and acquisitions, and media. He holds an MBA (Hons) from INSEAD and an MSc (cum laude) in econometrics from Erasmus University Rotterdam.

Basil Sgourdos is the Financial Director of the Company and an executive Director. He was appointed as the Financial Director of Naspers in July 2014. He worked for PricewaterhouseCoopers Inc. from 1989 to 1994. Thereafter he joined Naspers, initially as the finance manager of the South African operations division in MultiChoice and then as Chief Financial Officer of Naspers's investment in United Broadcasting Corporation plc listed on the Stock Exchange of Thailand, where he remained for 10 years. He then spent two years in Amsterdam as the general manager of video-entertainment business development globally before being appointed as Financial Director of MIH Holdings Proprietary Limited (**MIH Holdings**) in January 2009. He held this position until he became the Financial Director of Naspers. He is a qualified South African chartered accountant and holds a BCom from the University of the Witwatersrand and BAcc (Hons) from the University of South Africa.

Fred Phaswana is a non-executive Director and the Lead Independent Director of the Board. He joined the Naspers Board as a director in 2003. He is the joint Chair of Mondi Group Limited and Mondi Group plc and former Chair of the Standard Bank Group Limited and of The Standard Bank of South Africa Limited. He holds an MA from the University of South Africa and BCom (Hons) from the University of Johannesburg (then, the Rand Afrikaans University) and BA (Philosophy, Politics and Economics) from the University of South Africa.

Emilie Choi is a non-executive Director. She oversees all Business (Corporate and Business Development, Business Operations and Analytics), Data (Data Engineering, Machine Learning, Data Analytics), Ventures, International and Institutional Coverage/Sales functions for Coinbase, Inc. (**Coinbase**). Since joining Coinbase in early 2018, she has overseen more than 10 acquisitions and 50 venture investments. Prior to Coinbase, she spent more than eight years at LinkedIn Corporation as the Vice President of Corporate Development. She has also worked in corporate development and strategy roles at Warner Bros. Entertainment Inc. and Yahoo, Inc. She is also on the board of directors of ZipRecruiter, Inc., a marketplace for jobseekers and employers. She holds an MBA from the Wharton School of the University of Pennsylvania as well as a BA in Economics from the Johns Hopkins University.

Hendrik du Toit is a non-executive Director. He is Joint Chief Executive Officer of Investec Limited and Investec plc (together, the **Investec Group**). He entered the asset management industry in 1988 and joined the Investec Group in 1991 as founding member of Investec Asset Management. In May 2018, he became a member of HM Treasury's Belt and Road Initiative Expert Board. He holds an MPhil in economics and politics of development from Cambridge University, as well as a MCom in economics and international finance (cum laude), BCom (Hons) in economics (cum laude) and a BCom in law from Stellenbosch University.

Craig Enenstein is a non-executive Director. He is also the Chief Executive Officer of Corridor Capital, LLC, an operationally intensive private equity firm focused on the lower middle market. Corridor Capital, LLC is based in Los Angeles and was founded by him in 2005. He holds an MBA in Finance from the Wharton School of Business of the University of Pennsylvania, an MA in International Studies from the Lauder Institute: University of Pennsylvania and a BA from the University of California, Berkeley.

Don Eriksson is a non-executive Director. He is the Chair of Oakleaf Insurance Company Limited, Renasa Insurance Company Limited, and NMS Insurance Services (SA) Limited and a director on the board of MultiChoice. He served on the council of the Institute of Directors of South Africa (IoDSA) for a number

of years, of which he is an honorary life member, and as a trustee to the Discovery Health Medical Scheme. He was a partner at Coopers & Lybrand (now PricewaterhouseCoopers Inc.) and an executive director of the Commercial Union group of companies (CGU Insurance Company (SA) Limited, Commercial Union Life Insurance Company Limited and Sentrasure Limited). He is a qualified South African chartered accountant and holds a Certificate in the Theory of Accountancy from the University of the Witwatersrand.

Manisha Girotra is intended to be appointed as a non-executive Director after the date of the Admissions. She is the Chief Executive Officer of Moelis India. She has more than 25 years of investment banking experience, with cross-border mergers and acquisitions expertise across a broad range of industries. Prior to joining Moelis & Company, she was the Chief Executive Officer and Country Head of UBS AG in India managing its investment bank, commercial bank, markets, equity research and wealth management divisions. Previously, she was Head: North India of Barclays Bank PLC. She began her investment banking career at ANZ Grindlays in London. She serves on the boards of directors of Ashok Leyland Limited, Jio Payments Bank Limited and KEC International Limited. She holds a BA (Hons) in Economics from St. Stephen's College, India and a Masters in Economics from the Delhi School of Economics, India.

Rachel Jafta is a non-executive Director. She is a professor in economics at Stellenbosch University. She joined Naspers as a director in 2003 and was appointed a director of Media24 in 2007. She is a member of the South African Economic Society, Chair of the Cape Town Carnival Trust and a member of the Management Committee of the Bureau for Economic Research at Stellenbosch University and a member of the International Advisory Board of Fundação Dom Cabral Business School, Brazil. She was appointed as the Chair of the Media24 board of directors in April 2013. She is the Chair of the Media24 nomination committee and member of the Naspers audit committee and risk committee. She is also a director of Nasbel. She holds a MEcon and a PhD from the University of Stellenbosch.

Nolo Letele is a non-executive Director. He joined M-Net in 1990 and pioneered MultiChoice's expansion outside South Africa. In 1995, he moved to the Republic of Ghana, where he served as West African regional general manager. In 1999, he was appointed Chief Executive Officer of MultiChoice South Africa Holdings Proprietary Limited (**MultiChoice SA**), and later served as the MultiChoice Group Chief Executive Officer until 2010, when he was appointed executive Chair of MultiChoice SA. He has won several awards including Media Man of the Year in 2001 (Saturday Star – Business Report); Media Owner of the Year in 2003 (Financial Mail Adfocus); and the Lifetime Africa Achievement Prize for media development in Africa (Millennium Excellence Foundation). He holds a BSc(Hons) in electronic engineering from the University of Southampton.

Debra Meyer is a non-executive Director. She is a professor of biochemistry and Executive Dean of the Faculty of Science at the University of Johannesburg. She has completed modules in media strategy and academic leadership at Harvard University and the Gordon Institute of Business Science, University of Pretoria and makes regular contributions to several newspapers and magazines. She serves as a trustee or board member for several organisations. She is also a director of Nasbel. She holds a BSc in Biological Sciences, a BSc (Hons) and a MSc in biochemistry from the University of Johannesburg (then, the Rand Afrikaans University) and a PhD in biochemistry and molecular biology from the University of California, Davis (which she attended as a Fulbright Scholar).

Roberto Oliveira de Lima is a non-executive Director. He developed his career at companies like Accor S.A., Rhone Poulenc S.A. (now part of Sanofi S.A.) and Compagnie de Saint-Gobain S.A. in the information technology and finance areas. He was Chair and Chief Executive Officer of Credicard Group, Chief Executive Officer of Vivo S.A., the largest mobile telecommunications company in Brazil, Chair of Publicis Brazil and President of Natura S.A. (**Natura**). He was previously a board member of Edenred S.A. in France, Pão de Açúcar S.A. (Casino) and Natura in Brazil. He is a member of the boards of directors of Petrobras Distribuidora S.A. and RNI Negócios Imobiliários S.A. In April 2019, he left the board of directors of Telefônica Brasil S.A. after 14 years with that company, having served six of those years as President and Chief Executive Officer and eight years as a board member as well as quantity and services committee member. He holds a BA and MA in Business Management from Fundação Getúlio Vargas in Brazil and an MA from Institut Supérieur des Affaires at Jouy en Josas – France.

Steve Pacak is a non-executive Director. He began his career with Naspers at M-Net in 1988 and has held various executive positions in the Naspers Group. He is a director of MultiChoice Group Limited as well as companies in the Naspers Group. He was appointed as an executive director of Naspers in 1998 and a non-executive director on the Naspers Board on 15 January 2015. He retired as Naspers's Financial Director on 30 June 2014, and remained on the Naspers Board as an alternate non-executive director. He is a qualified South African chartered accountant and holds a BAcc from the University of the Witwatersrand.

Mark Sorour is a non-executive Director. He joined the Naspers Group in 1994, leading business development and corporate finance, globally. Following assignments in Hong Kong and Amsterdam, he returned to Cape Town in 2002 as the Naspers Group's Chief Investment Officer, being responsible for all global investment activities. On 31 March 2018, he retired after more than 20 years with the Naspers Group. He remained on the Naspers Board as a non-executive director. He is a qualified South African chartered accountant and holds a BCom and Dip Acc from the University of KwaZulu-Natal.

Cobus Stofberg is a non-executive Director. He was a member of the founding team of the M-Net/MultiChoice pay-television business in 1985. He served as Chief Executive Officer of the Group from 1997 to 2011, and has been instrumental in the expansion of the Naspers Group. Prior to joining M-Net, he was a partner of Coopers & Lybrand (now PricewaterhouseCoopers Inc.). He is a qualified South African chartered accountant and holds a BCom (Law) and LLB from Stellenbosch University and a BCompt (Hons) from the University of South Africa.

Ben van der Ross is a non-executive Director. He was Chair of Strategic Real Estate Management Proprietary Limited, the managers of the Emira Property Fund. He served on the boards of directors of, among others, Distell Limited, FirstRand Limited, Lewis Group Limited, Pick n Pay Holdings Limited and MMI Holdings Limited. He is also a director of Nasbel. He is an attorney of the High Court of South Africa and holds a Diploma in Law from the University of Cape Town.

Senior Management

The executive Directors of the Board comprise the Senior Management of the Company together with the following non-statutory members:

Name	Age	Position	Member Since⁽ⁱ⁾
Illg, Larry	48	Chief Executive Officer Food and Ventures	2014
Kolek, Patrick (Pat).....	48	Chief Operating Officer	2016
Le Moal, Laurent	48	Chief Executive Officer PayU	2016
O'Toole, Aileen.....	45	Chief People Officer	2014
Scheepbouwer, John Martin (Martin)	46	Chief Executive Officer Classifieds	2012
Searle, Charles St Leger (Charles) .	55	Chief Executive Officer Internet Listed Assets	2006
Tudor, David Glyndwr (David)	53	Group General Counsel	2015

(i) The dates set out above are the dates on which these persons were appointed as members of the senior management of Naspers.

Larry Illg is the Chief Executive Officer of Food and Ventures of the Company and Naspers. He has over 20 years of professional experience and over a decade with leading, global internet companies. Most recently, he was Vice President and General Manager of New Ventures at Trulia, LLC, a U.S. online real estate marketplace. Previously, he spent eight years as senior executive at eBay Inc. (**eBay**), responsible for strategy and general management of many of its global marketplaces and classifieds assets. Before joining eBay, he spent several years as strategy adviser for leading, global consumer goods companies. He started his career at the U.S. Federal Reserve Board. He holds a bachelor's degree in economics and an MBA, both from the University of California, Berkeley.

Pat Kolek is the Chief Operating Officer of the Company and Naspers. He joined Naspers in 2014 as Chief Financial Officer: Ecommerce and was appointed Chief Operating Officer of Naspers in July 2016. As Chief Operating Officer, he is focused on aligning group strategy with company objectives, leading core business activities and strategic initiatives such as large acquisitions and divestitures. He has more than 20 years' experience in executing business growth and development strategies for hyper-growth organisations. Prior to Naspers, He spent 10 years at eBay, most recently as Vice President and Chief Financial Officer of eBay International and previously as the Chief Operating Officer of eBay Classifieds. He is a certified public accountant and holds a bachelor's degree in commerce from Santa Clara University.

Laurent Le Moal is the Chief Executive Officer of PayU. He was appointed Chief Executive Officer of PayU in January 2016. He is responsible for global operations and brings extensive knowledge of digital payments and high-growth markets to PayU. He concluded an 11-year career at PayPal as Vice President and General Manager for Continental Europe, where he successfully led the launch of new markets for PayPal in Africa, Israel, the Middle-East and Russia. He started his career as a business analyst at McKinsey & Company in Milan, before founding TalentManager in 1999, a leading recruitment software

provider present across Southern Europe, which was subsequently sold. He holds an MBA from the London Business School, a Masters in International Management from the HEC Business School in Paris and a CEMS Masters International Management from Bocconi University in Milan.

Aileen O'Toole is the Chief People Officer of the Company. She joined Naspers in May 2014. She has more than two decades of human resources leadership experience in fast-growing high-tech and consumer internet companies. Prior to Naspers, she spent 10 years with eBay where she led human resources for eBay Europe and eBay Global Classifieds. During her tenure there, she also worked with businesses in the online payments, online comparison-shopping and eetail sectors. Prior to eBay, she led human resources for Europe at Jabil Global Services and started her career at the Telenor group. She holds a BA (Hons) in History and Politics, and an MBS in Strategic Management & Planning, both from the University College Dublin.

Martin Scheepbouwer is the Chief Executive Officer Classifieds of the Company and Naspers. He is responsible for the Classifieds operations at Naspers, with key brands such as OLX, Avito, letgo and Dubizzle. In the seven years prior to joining Naspers, he had a variety of senior roles at eBay and then at Schibsted. During his 14-year tenure in the industry, he has accumulated extensive experience in all relevant business aspects, such as strategy, finance, product management, operations and sales. He has worked in all life-cycle phases, from starting a greenfield operation to managing a mature internet company with a large staff and financials. Moreover, he has decided to broaden his professional impact by publishing in six languages some of his thoughts on best-in-class problem-solving with Thinking Backwards. He holds an MSc in engineering from Delft University, an MBA from INSEAD and has seven years of consulting experience with McKinsey & Company.

Charles Searle is the Chief Executive Officer Internet Listed Assets of the Company and Naspers. He joined the Naspers Group in 1998. He is responsible for the Group's listed internet assets, including Tencent and Mail.ru Group. He was also involved in the Group's mergers and acquisitions activities, where he previously held the position of Internet Chief Investment Officer. Prior to joining Naspers, he held senior corporate finance and mergers and acquisitions positions at Cable & Wireless plc, Hong Kong Telecom and Deloitte Touche Tohmatsu Limited. He is a member of the Institute of Chartered Accountants in Australia and New Zealand and holds a BCom in accounting from the University of Cape Town.

David Tudor is the Group General Counsel of the Company and Naspers. He has been a legal adviser to the Naspers Group since 1996. Before joining the Naspers Group, he was a partner at Mallinicks Attorneys (now Webber Wentzel) and worked in London at two leading international law firms. In 2008, he was appointed Group Senior Counsel to the Company and led the legal teams for the Group's mergers and acquisitions activities in Latin America, Central and Eastern Europe and Russia. He became general counsel of the Allegro group before being promoted to the position of General Counsel: Global Transaction Ecommerce at the Naspers Group. In June 2015, he was appointed Naspers Group General Counsel. He holds an LLM (with distinction) from the University of Edinburgh and an LLB and a BBusSc (Hons) from the University of Cape Town.

Save as set out above, none of the Directors or the members of Senior Management performs any activities outside the Group that are significant with respect to the Group. There is no family relationship between any of the Directors or the members of Senior Management.

General Information about the Directors and Senior Management

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.

Name	Company	Active/ Resigned
Directors⁽ⁱ⁾		
Bekker, Jacobus Petrus (Koos).....	Media24 Proprietary Limited	Active
	Media24 Holdings Proprietary Limited	Active
	Tencent Holdings Limited	Active
Van Dijk, Bob	MultiChoice South Africa Holdings Proprietary Limited	Resigned
	MultiChoice South Africa Proprietary Limited	Resigned
Sgourdos, Vasileios (Basil)	Mail.ru Group Limited	Resigned
Choi, Emilie Monica.....	ZipRecruiter, Inc.	Active
	August Moon Proprietary Limited	Active
Du Toit, Hendrik Jacobus	Brouwerskloof Eiendomme Proprietary Limited	Active
	Forty Two Point Two	Active
	Growthpoint Investec African Property Management Limited	Active
	Investec Africa Frontier Private Equity Fund GP Limited	Active
	Investec Africa Private Equity Fund 2 GP Limited	Active
	Investec Asset Management Australia Pty. Ltd.	Resigned
	Investec Asset Management Asia Limited	Resigned
	Investec Asset Management Global Limited	Active
	Investec Asset Management Group plc	Active
	Investec Asset Management Holdings Proprietary Limited	Resigned
	Investec Asset Management Hong Kong Limited	Resigned
	Investec Asset Management International Limited	Active
	Investec Asset Management Limited	Resigned
	Investec Asset Management North America, Inc.	Resigned
	Investec Asset Management Proprietary Limited	Resigned
	Investec Asset Management Singapore Pte. Ltd.	Resigned
	Investec Asset Management Taiwan Limited	Resigned
	Investec Asset Management US Limited	Resigned
	Investec Fund Managers Limited	Resigned
	Investec Global Strategy Fund	Resigned
	Investec Investment Management Services Proprietary Limited	Resigned
	Investec Limited	Active
	Investec plc	Active
	Investment Management Association of South Africa NPC	Resigned
	Mediterranean Holdings Proprietary Limited	Active
	Silica Holdings Proprietary Limited	Resigned
	Stellenbosch University SA Foundation UK	Resigned
Einstein, Craig Lawrence	CCT Holdeo, LLC	Active
	Circuitronics EMS Holdings, LLC	Resigned
	Connecting Points Holdings, LLC	Resigned
	Consolidated Flooring, LLC	Active
	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
	Eriksson, Donald Gordon (Don).....	Coface South Africa Insurance Company Limited
Concourse Holdings Proprietary Limited		Active
ConvergeTec Proprietary Limited		Resigned
Influential Investments Proprietary Limited		Resigned
Insure Group Managers Limited		Resigned
Insure Group Managers Claims Proprietary Limited		Resigned
MultiChoice Group Limited		Active
MultiChoice South Africa Proprietary Limited	Active	

Name	Company	Active/ Resigned
	MultiChoice South Africa Holdings Proprietary Limited	Active
	NMS Insurance Services (SA) Limited	Active
	Oakleaf Insurance Company Limited	Active
	Oakleaf Investment Holdings 94 Proprietary Limited	Active
	Pepper Shake Trading 7 Proprietary Limited	Active
	Renasa Holdings Proprietary Limited	Active
	Renasa Insurance Company Limited	Active
Jafta, Rachel Catharina Cornelia	Econex Proprietary Limited	Resigned
	Heemstede Beleggings Proprietary Limited	Active
	Keeromstraat 30 Beleggings (RF) Limited	Resigned
	Media24 Limited	Active
	Media24 Holdings Proprietary Limited	Active
	Naspers Beleggings (RF) Limited	Active
	Welkom Yizani Investments (RF) Limited	Active
Letele, Francis Lehlohonolo Napo (Nolo)	Built Environment Africa Capital Proprietary Limited	Resigned
	Commercezone Proprietary Limited	Active
	Chesswood Holdings 3 Proprietary Limited	Active
	Ed's Easy Diner Proprietary Limited	Resigned
	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
	Huntley Holdings Proprietary Limited	Active
	Huntley Internet Services Proprietary Limited	Active
	Huntley Media Services Proprietary Limited	Active
	Ikapa Petroleum Corporation Proprietary Limited	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
	Jersey Lane Properties Proprietary Limited	Active
	Joe's Easy Diner Proprietary Limited	Resigned
	Lapetus Proprietary Limited	Active
	Mejametalana Properties Proprietary Limited	Active
	Magnolia Ridge Properties 383 Proprietary Limited	Active
	Mindset Network NPC	Resigned
	Mobile Device Repairs and Accessories Proprietary Limited	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	Active
	MultiChoice Technical Operations Proprietary Limited	Active
	Newshelf 1270 (RF) Proprietary Limited	Active
	Next Case 59 Proprietary Limited	Active
	NMS Communications Proprietary Limited	Active
	NMS Properties Proprietary Limited	Active
	Nonica Estates Proprietary Limited	Active
	Orbicom Proprietary Limited	Active
	Potelisi Projects Proprietary Limited	Active
	Present Perfect Investments 320 Proprietary Limited	Active
	Stand 1194-1196 Ferndale Proprietary Limited	Active
	Supersonic FTTX Proprietary Limited	Resigned

Name	Company	Active/ Resigned
	SuperSport Dream League Proprietary Limited	Active
	SuperSport International Proprietary Limited	Active
	SuperSport International Holdings Limited	Active
	SuperSport Sports Holdings Proprietary Limited	Active
	SuperSport United Football Club Proprietary Limited	Active
	SuperSport Zone Proprietary Limited	Active
	Topaz Sky Trading 55 Proprietary Limited	Active
	Tiamat Holdings Proprietary Limited	Active
Meyer, Debra.....	Aardklop Nasionale Kunstefees NPC	Resigned
	Atterbury Property Foundation NPC	Active
	Heemstede Beleggings Proprietary Limited	Active
	Keeromstraat 30 Beleggings (RF) Limited	Resigned
	Media24 Proprietary Limited	Resigned
	Media24 Holdings Proprietary Limited	Resigned
	Naspers Beleggings (RF) Limited	Active
	Orbis Africa NPC	Active
Oliveira de Lima, Roberto	Edenred S.A.	Resigned
	Natura Comsmeticos S.A.	Resigned
	RNI Negocios Imobiliarios S.A.	Active
	Companhia Brasileira De Distribuição (Pão de Açúcar)	Resigned
	Petrobras Distribuidora S.A.	Active
	Telefonica Brasil S.A.	Resigned
Pacak, Stephan Joseph Zbigniew (Steve)	Dusty Moon Investments 288 Proprietary Limited	Active
	Intelprop Proprietary Limited	Resigned
	Keeromstraat 30 Beleggings (RF) Limited	Active
	Media24 Limited	Resigned
	Media24 Holdings Proprietary Limited	Resigned
	MultiChoice Group Limited	Active
	MultiChoice South Africa Proprietary Limited	Active
	MultiChoice South Africa Holdings Proprietary Limited	Active
	Seacrest Investments 134 Proprietary Limited	Active
Phaswana, Tshamano Mohau Frederik (Fred).....	75 Constantia Main Road Proprietary Limited	Resigned
	Cambridge Institute for Sustainability Leadership (South Africa) NPC	Resigned
	Keeromstraat 30 Beleggings (RF) Limited	Active
	Naspers Beleggings (RF) Limited	Active
	Mondi Limited	Active
	Mondi PLC	Active
	Standard Bank Group Limited	Resigned
	The Standard Bank of South Africa Limited	Resigned
Sorour, Mark Remon	Wizard Properties CO/CC	Active
	20 Good Summers Proprietary 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
	Royal Albatross Properties 73 Proprietary Limited	Active
	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
Van der Ross, Benedict James (Ben)	Andrew Torr Property CC	Active
	Business Venture Investments No 1228 Proprietary Limited	Active
	Distell Group Limited	Resigned
	FirstRand Bank Limited	Resigned
	FirstRand Limited	Resigned
	Firstshelf 25 Proprietary Limited	Active

Name	Company	Active/ Resigned
	Met Collective Investments (RF) Proprietary Limited	Resigned
	Micawber 410 Proprietary Limited	Active
	Momentum Wealth Nominees (RF) Proprietary Limited	Resigned
	Momentum Securities Nominees Proprietary Limited	Resigned
	Naspers Beleggings (RF) Limited	Active
	Nebavest 82 Proprietary Limited	Active
	Newshelf 1070 Proprietary Limited	Active
	Pick n Pay Stores Limited	Resigned
	Strategic Real Estate Managers Proprietary Limited	Resigned
	Southern Right Shipping Proprietary Limited	Resigned
Senior Management⁽ⁱⁱ⁾		
Illg, Larry	Brainly, Inc.	Active
	Bundl Technologies Private Limited (Swiggy)	Active
	Honor Technology, Inc.	Active
	Ryzac, Inc. (Codecademy)	Active
	Udemy, Inc.	Active
Kolek, Patrick (Pat).....	Delivery Hero SE	Active
	MakeMyTrip Limited	Active
Le Moal, Laurent	Monese Limited	Active
	PayPal Europe Limited	Resigned
	Remitly Inc.	Active
O'Toole, Aileen.....	MakeMyTrip Limited	Active
Scheepbouwer, John Martin (Martin).....	Digital Agency Ryssland AB	Active
	NC Europe Holdings B.V.	Active
	Silver Brazil JVCo B.V.	Active
Searle, Charles St Leger (Charles)	Mail.ru Group Limited	Active
	MakeMyTrip Limited	Active
	Tencent Holdings Limited	Active
Tudor, David Glyndwr (David)	FairSearch AISBL	Active
	Save the Children Fund (African Advisory Board)	Active

(i) As at the date of this Prospectus, Manisha Girotra has been a member of the following administrative, management or supervisory bodies or partner at any time in the previous five years: Ashok Leyland Limited (active), Jio Payments Bank Limited (active) and KEC International Limited (active), Mindtree Limited (resigned), Novartis India Limited (resigned) and Technip S.A. (resigned).

(ii) Other than the Chief Executive Officer and the Financial Director of the Company.

The business address of the Directors and members of Senior Management is c/o Myriad International Holdings N.V. (to be renamed Prosus N.V. with effect from the Settlement Date), Taurusavenue 105, 2132 LS Hoofddorp, the Netherlands.

As at 31 March 2019, US\$518,000 was set aside or accrued by the Company to provide for pension, retirement or similar benefits of executive Directors and the members of Senior Management.

Remuneration Information for the Board

Executive Directors Remuneration

The remuneration policy applicable to the executive and non-executive Directors was adopted by the General Meeting on 22 August 2019. The Company will submit the remuneration policy to a vote by the General Meeting, upon a proposal of the non-executive Directors, following advice obtained by the Human Resources and Remuneration Committee, for every material change to the remuneration policy and, in any event, at least every four years. The non-executive Directors are responsible for the implementation and monitoring of the remuneration policy. Pursuant to the Articles of Association, the resolution of the General Meeting to adopt (amendments to) the remuneration policy requires a simple majority of votes.

The remuneration policy explains the decision-making process followed for its determination, review and implementation, including, measures to avoid or manage conflicts of interest and, where applicable, the role of the Human Resources and Remuneration Committee.

Where the remuneration policy is revised, it shall describe and explain all significant changes, and how the revised remuneration policy takes into account the votes and views of shareholders on the remuneration policy and remuneration reports since the most recent vote on the remuneration policy by the General Meeting. When the General Meeting does not approve the proposed amendments to the remuneration policy,

the Company shall continue to pay remuneration to the executive and non-executive Directors in accordance with the existing approved remuneration policy and shall submit a revised policy for approval at the following General Meeting.

In exceptional circumstances only, the non-executive Directors of the Company may decide temporarily to derogate from the remuneration policy, in line with the procedure set out in the remuneration policy. Exceptional circumstances only covers situations in which the derogation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability, such as the appointment of an interim executive Director or the buy-out of remuneration forfeited on joining the Company to facilitate recruitment of new executive Directors, comprising cash or longer-term incentives (**LTIs**).

The revised remuneration policy, together with the date and the results of the vote at the General Meeting, will be made public without delay on the Company's website and the remuneration policy will remain publicly available while it is applicable.

The remuneration of, and other agreements with, the executive Directors are required to be determined by the non-executive Directors, with due observance of the remuneration policy. The executive Directors may not participate in the discussion and decision-making process of the Board on this. In exceptional circumstances only, the Company may decide to temporarily derogate from the remuneration policy, in line with the procedure set out in the remuneration policy. The exceptional circumstances shall cover only situations in which the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to assure its viability.

The remuneration policy contributes to the Company's business strategy and enables it to achieve its business objectives. A commitment to pay-for-performance and alignment with shareholder value creation drives all the Company's remuneration activities and supports the ownership mentality and spirit of entrepreneurship in its teams around the world. It focuses on delivering fair, responsible and transparent remuneration driving the achievement of the Company's long-term interests, sustainability and strategic objectives and ensuring alignment between shareholder outcomes and executive Director compensation in the short-, medium- and long-term. The Company believes in a level playing field for its employees. It strives to pay fairly and responsibly and as much as possible, the structure of its pay is similar, regardless of the seniority of the employee. It endeavours at all times to balance the need to compete globally for the very best talent with the need to pay fairly and responsibly. The Board and Human Resources and Remuneration Committee adopt an integrated stakeholder-inclusive approach to reward and corporate governance in the best interest of the Company taking into account its identity, mission and values.

In addition to serving as executive Directors of the Company, the executive Directors also serve as executive directors of Naspers, the Company's majority shareholder. The remuneration of the executive Directors referred to in the remuneration policy is their total remuneration, including the remuneration for their roles as executive directors of Naspers.

Based on the remuneration policy, the remuneration of the executive Directors comprises the following components, providing for an appropriate balance between fixed and variable remuneration over the short- and longer-term, which is directly linked to business performance and shareholder value-creating and supporting the Company's strategy, its long-term interests and its sustainability:

- Annual Base Pay (as defined below) plus pension and other benefits that are additional to base pay.
- Short-term incentives (**STIs**): annual performance-related incentive or short-term incentive.
- LTIs, including Naspers PSUs, SARs in the underlying businesses and SOs.

Executive Directors are also executive directors of Naspers. Their remuneration as executive Directors and executive directors of Naspers will be split 30/70 between Naspers and the Company.

Annual Base Pay

Executive Directors are entitled to an annual fixed base salary (**Annual Base Pay**), including holiday allowance and other local statutory requirements per country, paid in cash, that is determined by the non-executive Directors, having obtained advice from the Human Resources and Remuneration Committee in line with the remuneration policy as approved by the shareholders at the General Meeting. Base salary is paid monthly in cash on a net basis – i.e., all tax and social security contributions are deducted from this sum. Personal and Company performance is the primary driver for any pay increases and pay is set at a level to ensure the Company can attract and retain talent of the required calibre. In making its decision, the non-

executive Directors, having obtained advice from the Human Resources and Remuneration Committee, take into account global, regional, local and relevant industry practice as well as an individual's contribution and affordability for the Company. The executive Directors are eligible to receive pension benefits with employer contributions of up to 20% of their Annual Base Pay plus employer-paid international health insurance and life insurance.

The non-executive Directors review the Annual Base Pay annually and may increase the base salary levels for the executive Directors on an annual basis, typically effective from 1 April each year. A number of factors are taken into account during the review process, including personal performance, the scope and nature of the role, relevant companies in the technology sector and local economic indicators such as inflation, cost-of-living changes and the relevant labour market, to ensure remuneration is fair, sensible and market competitive. In preparation of the annual review process, the Human Resources and Remuneration Committee considers data from comparator companies, bearing in mind the size of the business, its complexity and its geographic footprint.

Short-term Incentives: Annual Performance-related Incentives

The executive Directors are eligible to participate in an annual performance-related STIs as set out in the remuneration policy. The purpose of the STIs is to ensure executive alignment with and focus on the annual board-approved business plan. The achievement of these annual plans will cumulatively drive long-term shareholder value. The annual bonus opportunity for each executive Director is agreed annually in advance of the fiscal year, and any payout is based on targets that are verifiable and aligned to the business plan, risk management policy and strategy. The awards are made fully in cash. The STIs are based on a number of financial, strategic and operational performance measures. Financial goals account for 50% of the STIs for the executive Directors. Measurements for the executive Directors include annual financial targets such as core headline earnings including Tencent, core headline earnings excluding Tencent, and free cash flow. In addition, the Chief Executive Officer is measured on revenue growth for the Company.

Strategic and operational goals also account for 50% of the STIs for the executive Directors. For the Chief Executive Officer, these goals relate to the performance of the underlying business segments, for example, Classifieds, Payments and Fintech, Food Delivery and/or Etail. Measurements may include financial metrics such as revenue growth and trading profit (or trading loss reduction in earlier-stage businesses). Other performance metrics related to business segments may include new product, technology or market development, the relative competitive position of the business and/or key customer metrics such as growth in customer numbers. The target and maximum achievement levels are the same (i.e., there is no opportunity to overachieve on bonus payouts). The executive Directors are eligible for an annual target bonus of no more than 200% of annual fixed gross salary. Performance against targets, as set at the beginning of the fiscal year, is based on verifiable financial results and metrics that are reviewed by the Company's auditors. For goals which are more qualitative in nature, the Human Resources and Remuneration Committee carefully considers supporting evidence and discusses the extent to which those and all other goals have been achieved, after the fiscal year has ended. Any payment of annual performance related STIs is made only after the publication of the results of the relevant performance year.

STIs are subject to certain clawback provisions. See "*Adjustments to Variable Remuneration*" below.

Longer-term Incentives

LTIs are designed to incentivise the delivery of sustainable long-term growth and provide alignment with shareholders as set out in the remuneration policy. Awards are normally granted annually to the executive Directors under three types of schemes: PSUs, SARs and SOs.

- *SARs*: The purpose of SARs is to increase the value of the listed and unlisted internet businesses over time (excluding Tencent) by driving growth and profitability. SARs deliver value based on the growth in the valuation of a group of businesses over a specified time period with vesting typically over a four-year period with a term of typically 10 years. Any value delivered is based on the change in total value of the business or group of businesses, excluding Tencent. Performance criteria relate to the sum of all decreases/increases in value calculated to determine the final value. Any gains are delivered in an equivalent value of Naspers N Ordinary Shares. Naspers N Ordinary Shares are bought on the open market and shareholders are not diluted to settle employee SAR gains. By doing so, the SAR awards focus on growth, scale and profitability of the underlying assets. The value is measured by a third-party valuation.

The SAR schemes in which the executive Directors participate have four years of annual vesting, in equal tranches of 25%. Participants must be employed at the time of vesting in order to be eligible for the SAR award. Participants can exercise vested shares and receive Naspers N Ordinary Shares equal to the difference in value on the grant date and the exercise date.

- *SOs*: SO awards are made based on the share price on the date of the grant. SOs deliver value based on the growth in the price of Naspers N Ordinary Shares over a specified time period with vesting typically over a four-year period, with 25% vesting each year and a term of 10 years. Participants must be employed on the date of vesting in order for an award to be eligible for the SO award. Participants only accrue gains if the relevant share price on the vesting date is higher than the relevant share price on the grant date, which means that they have participated in creating a higher value for the company and its shareholders. To receive value, participants must first buy the relevant shares that are released to them on the vesting date, at the grant price which was determined on the grant date. They can then either hold the relevant shares or sell them on the open market. The purpose of the SO awards is to create alignment between management and stakeholders, as participants are exposed to the market's view on Naspers, which includes the Company, same as shareholders, as well as to increase the market capitalisation of Naspers (including the Group's interest in Tencent). As such, the SO awards aim to increase the value of all Naspers's business over time.
- *PSUs*: PSUs further align the business strategy and objectives with executive compensation and shareholder returns. PSU vesting is not just determined by time: in order for the participant to receive a Naspers N Ordinary Share, time must elapse and, in addition, the relevant performance conditions must have been met. Executive Directors are eligible to participate and the performance condition, vesting schedule and award schedule are determined by the non-executive Directors, having obtained advice from the Human Resources and Remuneration Committee from time to time and clearly stated in the offer letter to participants. PSUs enhance the alignment between shareholder returns and executive incentives. PSUs typically vest in full, on the third anniversary of the grant, subject to the performance condition being met. Performance is determined based on verifiable financial results and metrics that are reviewed by the Company's auditors. The vesting period is determined by the Human Resources and Remuneration Committee at the time the award is made.

Awards made from any of the LTI plans can only be exercised after the vesting period has passed and applicable performance conditions have been met. Executive Directors generally exercise vested SOs or other share awards while taking into account the applicable principles of the Dutch Corporate Governance Code.

Clawback Provisions: Longer-term incentive costs are subject certain clawback provisions. See "*Adjustments to Variable Remuneration*".

Termination Policy

Executive Directors' contracts do not contain clauses that provide a benefit upon termination. Payments in lieu of notice may be made to executive Directors comprised of salary for the unexpired portion of the notice period. Such payments may be phased. On cessation, there is no automatic entitlement to an annual performance-related incentive. The non-executive Directors, having obtained the advice of the Human Resources and Remuneration Committee, however, retain the discretion to award a bonus to a leaver during the fiscal year taking into account the circumstances of their departure. There is no entitlement to a particular severance package provided for in the service contract of the executive Directors.

Shareholding Requirement

The Chief Executive Officer is required to hold Naspers N Ordinary Shares throughout his tenure that are equivalent in value to an amount of 10 times his Annual Base Pay.

Date and Offer Price of SOs, PSUs and SARs

The Group's policy does not allow for the backdating of longer-term incentive awards, or for the offer price to be adjusted so as to bring underwater SOs or SARs "into the money". Offer prices may be adjusted within the rules of the scheme to take account of material structural changes to the Group.

Dividend Policy

Employees of the Group holding SOs do not receive ordinary dividends. Upon exercise of an SO, if the N Ordinary Share is purchased and retained, then participants are treated as per all other holders of N Ordinary Shares with respect to ordinary dividends.

Other

The Company arranges for, and pays, directors' and officers' liability insurance for the Directors.

As at the date of this Prospectus, the Company has not provided any personal loans, advances or guarantees to the Directors.

Adjustments to Variable Remuneration

Clawback provisions are in place for both the STIs and the LTIs for the executive Directors, such that all or part of any bonus or long-term incentive may be recouped in the event of material financial misstatement or gross misconduct on the part of the executive Director, for a period of two years following the incident in question. The clawback provision applies to STIs or LTIs granted in the fiscal year during which the material financial misstatement or the gross misconduct applies.

Non-executive Directors

The General Meeting approves the remuneration of the non-executive Directors. The fee structure for non-executive Directors has been designed to ensure that the Group attracts, retains and appropriately compensates a diverse and internationally experienced board of non-executive Directors, given the highly competitive markets in which the Group operates in, and the global competition it faces.

Non-executive Directors receive an annual fee as opposed to a fee per meeting, which recognises their ongoing responsibility for effective control of the Company. They may also receive an additional fee for Board committees and subsidiary boards of directors, to reflect the additional responsibilities and associated time commitment. Remuneration is reviewed annually and is not linked to the N Ordinary Share price or the Company's performance. Non-executive Directors do not qualify for share allocations under the Group's incentive schemes.

The fees for non-executive Directors are benchmarked against Euronext Amsterdam and other European listed companies, using publicly disclosed data and considering the relative size, scale and complexity of the Company's activities. Non-executive Directors are also members of the Naspers Board and receive only one fee for their work on both boards of directors, which is split 30/70 between Naspers and the Company.

Non-executive Directors' Terms of Appointment

The Board has procedures for appointing and orientating Directors. The Nomination Committee periodically assesses the skills represented on the Board and determines whether these meet the Company's needs. Annual self-evaluations are done by the Board and its committees. Directors are invited to give their input in identifying potential candidates. Members of the Nomination Committee propose suitable candidates for consideration by the Board. A fit-and-proper evaluation is performed for each candidate.

Retirement and Re-election of Directors

All non-executive Directors are subject to retirement and re-election by shareholders every three years. Additionally, non-executive Directors are subject to election by shareholders at the first suitable opportunity for interim appointments. The names of non-executive Directors submitted for election or re-election are accompanied by brief biographical details to enable shareholders to make an informed decision on their election. The reappointment of non-executive Directors is not automatic.

Remuneration as at 31 March 2019

The Company did not pay any remuneration to the Directors during FY 2019. The remuneration for the Directors paid by the Naspers Group during FY 2019 is set out below.

Executive Director	'000								
	Annual Base Pay/ Cost to Company		Annual Cash Bonuses and Performance- Related Payments	LTI's	Pension Contributions Paid on Behalf of Director to the Pension Scheme		Other Benefits		Total
	(US\$)	(€)	(US\$)	(US\$)	(US\$)	(€)	(US\$)	(€)	(US\$)
Van Dijk, Bob ⁽ⁱ⁾	1,259	1,122	1,108	10,368	85	75	66	59	12,886
Sgourdos, Vasileios (Basil)	897	N/A	1,006	5,460	85	N/A	27	N/A	7,475
Total	2,156	1,122	2,114	15,828	170	75	93	59	20,361

(i) Bob van Dijk is paid in Euro. For comparative purposes, the table sets out his Euro remuneration in US\$ based on the average €/US\$ exchange rate for FY 2019.

Annual performance payments made in respect of FY 2019 for the executive Directors were based on a combination of financial, strategic and operational objectives, approved by the Human Resources and Remuneration Committee. For Bob van Dijk and Basil Sgourdos these financial objectives had a weighting of 50% of maximum annual bonus.

The target remuneration payable to the executive Directors will not be varied as a consequence of the Transaction.

Non-executive Director	US\$ '000							Total
	Directors' Fees		Committee and Trustee Fees		Other Fees ⁽ⁱ⁾			
	Paid by the Company	Paid by Subsidiary	Paid by the Company	Paid by Subsidiary	Paid by the Company	Paid by Subsidiary		
Bekker, Jacobus Petrus (Koos)	552	23	—	—	—	—	575	
Choi, Emilie Monica	260	—	61	—	—	—	321	
Du Toit, Hendrik Jacobus ⁽ⁱⁱ⁾	—	—	—	—	—	—	—	
Enenstein, Craig Lawrence.....	260	—	100	—	—	50	410	
Eriksson, Donald Gordon (Don).....	235	—	247	—	—	—	482	
Jafta, Rachel Catharina Cornelia.....	239	69	157	10	—	—	475	
Letele, Francis Lehlohonolo Napo (Nolo).....	235	—	24	—	—	—	259	
Meyer, Debra	228	23	24	13	—	—	288	
Oliveira de Lima, Roberto	253	—	51	—	—	50	354	
Pacak, Stephan Joseph Zbigniew (Steve).....	256	—	28	—	—	—	284	
Phaswana, Tshamano Mohau Frederik (Fred).....	253	—	51	—	—	—	304	
Sorour, Mark Ramon ⁽ⁱⁱⁱ⁾	232	150	—	—	—	120	502	
Stofberg, Jacobus Du Toit (Cobus)...	249	—	24	—	—	—	273	
Van der Ross, Benedict James (Ben)	228	—	75	—	—	—	303	
Total	3,480	265	842	23	—	220	4,830	

(i) Compensation for assignments.

(ii) Hendrik du Toit elected not to receive director's fees in FY 2019.

(iii) Mark Sorour received US\$3,800 from MIH Holdings for the period 1 January 2019 to 31 March 2019. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme as a result of the MultiChoice Unbundling. The Company will provide an annual allowance to cover the difference in cost for retired scheme members during FY 2020 and FY 2021 only. This is not disclosed in the above table.

(iv) Manisha Girotra did not receive any remuneration from the Naspers Group as at 31 March 2019.

An additional fee may be paid to Directors for work done as directors with specific expertise. Committee fees include fees for attending meetings of the Audit Committee, the Human Resources and Remuneration Committee, the Nomination Committee, the Risk Committee and the Naspers Social and Ethics Committee.

Committee and trustee fees include, where appropriate, fees for services as trustees of the Group share-based schemes.

Expected Remuneration for FY 2020

The expected remuneration for the Directors to be paid by the Group for FY 2020 is set out below.

	'000					
	Annual Base Pay/ Cost to Company		Annual Cash Bonuses and Performance- Related Payments	Company	Total ^(vii) Company and Naspers	
Executive Directors ^{(i) (ii)}	(US\$)	(€)	(US\$)		(US\$)	
Van Dijk, Bob ⁽ⁱⁱⁱ⁾	972	865	Up to 100% of the annual salary (Up to 972)	Up to 1,943	Up to 833	Up to 2,776
Sgourdos, Vasileios (Basil) ^(iv)	748 ^(v)	N/A	Up to 100% of the annual salary ^(vi) (Up to 748)	Up to 1,497	Up to 641	Up to 2,138
Total	1,720	865	Up to 1,720	Up to 3,440	Up to 1,474	Up to 4,914

(i) Executive Directors are also executive directors of Naspers. Their remuneration as executive Directors and executive directors of Naspers will be split 30/70 between Naspers and the Company. See “—Remuneration Information for the Board—Executive Directors Remuneration”.

(ii) In addition to serving as executive Directors of the Company, the executive Directors also serve as executive directors of Naspers, the Company’s majority shareholder. The remuneration of the executive Directors referred to in the remuneration policy is their total remuneration, including the remuneration for their roles as executive directors of Naspers.

(iii) Bob van Dijk is paid in Euro. For comparative purposes, the table sets out his Euro remuneration in US\$ based on the average EUR/US\$ exchange rate for FY 2019. Bob van Dijk is expected to receive an increase in his Annual Base Pay from FY 2019 of 10% driven by his personal performance (e.g., the MultiChoice Unbundling and the Group’s disposal of its interests in Flipkart), the Company’s performance and base pay levels relative to benchmarks.

(iv) Basil Sgourdos is expected to receive an increase in his cost to company from FY 2019 of 6% driven by his personal performance, market movement and base pay levels relative to benchmarks.

(v) Includes pension and other benefits.

(vi) An additional variable bonus capped at 25% of the cost to company (relating to obtaining new general funding) applies.

(vii) Excluding LTIs. It is expected that in FY 2020 the followings LTIs will be granted:

	Naspers N Ordinary SOs			Naspers Global Ecommerce SARs			Naspers PSUs
	Number of SOs	Face value (US\$)	Fair value (US\$)	Number of SARS	Face value (US\$)	Fair value (US\$)	Fair value (US\$)
Van Dijk, Bob.....	15,835	3,972,183	1,350,000	436,832	16,031,719	6,075,000	6,075,000
Sgourdos, Vasileios (Basil).....	8,211	2,059,651	700,000	226,505	8,312,743	3,150,000	3,150,000

US\$ '000

Non-executive Directors	Directors' Fees ⁽ⁱ⁾		Committee and Trustee Fees ⁽ⁱ⁾		Other Fees ^{(i) (ii)}		Total		
	Paid by the Company	Paid by Subsidiary	Paid by the Company	Paid by Subsidiary	Paid by the Company	Paid by Subsidiary	Company	Naspers	Company and Naspers
	Bekker, Jacobus Petrus (Koos).....	406	17	—	—	—	—	423	181
Choi, Emilie Monica.....	191	—	45	—	—	—	236	101	337
Du Toit, Hendrik Jacobus ⁽ⁱⁱⁱ⁾	—	—	—	—	—	—	—	—	—
Enenstein, Craig Lawrence.....	191	—	74	—	—	37	302	130	431
Eriksson, Donald Gordon (Don).....	173	—	182	—	—	—	355	152	506
Girotra, Manisha ^(iv)	140	—	26	—	—	—	166	71	238
Jafta, Rachel Catharina Comelia.....	176	51	115	7	—	—	349	149	499
Letele, Francis Lehlohonolo Napo (Nolo).....	173	—	18	—	—	—	191	82	272
Meyer, Debra.....	168	17	18	10	—	—	213	91	302
Oliveira de Lima, Roberto.....	186	—	37	—	—	37	260	112	373
Pacak, Stephan Joseph Zbigniew (Steve).....	188	—	21	—	—	—	209	90	298
Phaswana, Tshamano Mohau									
Frederik (Fred).....	186	—	37	—	—	—	223	96	320
Sorour, Mark Ramon.....	171	110	—	—	—	88	369	158	528
Stofberg, Jacobus Du Toit (Cobus).....	183	—	18	—	—	—	201	86	286
Van der Ross, Benedict James (Ben).....	168	—	55	—	—	—	223	96	318
Total	2,700	195	646	17	—	162	3,720	1,595	5,312

(i) The above calculations are estimates of what directors will be paid for FY 2020. These figures have been calculated on the basis that a non-executive Director will receive a 5% increase on what they received in FY 2019. Non-executive Directors are also members of the Naspers Board and receive only one fee for their work on both boards of directors, which is split 30/70 between Naspers and the Company. See “—Remuneration Information for the Board—Non-executive Directors”.

(ii) Compensation for assignments.

(iii) Hendrik du Toit elected not to receive director's fees in FY 2020.

(iv) On 7 May 2019, Naspers announced that Manisha Girotra will be appointed as a non-executive Director of the Company and a non-executive director of Naspers after the date of the Admissions. The above calculation assumes that she will be appointed prior to the six months ending 30 September 2019.

Remuneration Information for the Senior Management other than the Executive Directors

The total of remuneration paid to members of Senior Management (other than the Executive Directors) by the Naspers Group amounted to US\$41.187 million (FY 2018: US\$40.850 million), comprising short-term employee benefits (base salary, short-term incentives and other short-term benefits) of US\$12.420 million (FY 2018: US\$13.705 million), post-employment benefits of US\$518,000 (FY 2018: US\$793,000) and share-based payment expenses of US\$28.249 million (FY 2018: US\$26.352 million). No other remuneration is paid to these members of Senior Management. Remuneration is earned for services rendered in conducting the business of the Group.

The total of remuneration expected to be paid to members of Senior Management (other than the Executive Directors) by the Group for FY 2020 amount to US\$43.66 million, comprising short-term employee benefits (base salary, short-term incentives and other short-term benefits) of US\$13.17 million, post-employment benefits of US\$549,080 and share-based payment expenses of US\$29.94 million. Such remuneration of these members of Senior Management is their total remuneration, including the remuneration for their roles at the Naspers Group.

Naspers Group Longer-term Incentives

The Naspers Group has various equity-compensation schemes for employees in operation, the majority of which are classified as equity-settled. In terms of these schemes, employees are offered awards in the form SARs, SOs, PSUs (for members of Senior Management), and RSUs (for specialist talent only).

All awards are granted subject to the completion of a requisite service (vesting) period by employees. In the case of SARs and SOs, value must be created, over and above the valuation on the date of the longer-term incentive grant, in order for the participant to accrue value. In the case of PSUs, in addition to a vesting period, a further company performance threshold must be met in order for the grant to be released to the participant at the end of the vesting period.

Vesting takes place in tranches depending on the duration of the total vesting period. The schemes are described more fully below.

In respect of the SARs and SOs on exercise date, following completion of the vesting period, awards are generally settled with employees through the issuance of equity instruments of Naspers or its subsidiaries for equity-settled plans and in cash or other assets for cash-settled plans. In respect of RSUs, awards are automatically settled in equity instruments with participants on the vesting date. In respect of PSUs, as soon as is practicable after the vesting period has been completed, the Human Resources and Remuneration Committee will assess the extent to which the performance condition has been satisfied and any gain accrued by the participants will be settled in equity instruments.

All SOs, are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. All shares granted in the Naspers RSU scheme and PSU scheme have a strike price of zero (although PSUs have a further performance condition). All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All unvested SARs/SOs/RSUs/PSUs are subject to forfeiture upon termination of employment (except in certain limited cases – e.g., death, permanent disability and at the discretion of the Human Resources and Remuneration Committee).

The Naspers Group's share-based incentive scheme, as well as the various share-based incentive schemes operated at a subsidiary level, are governed by the respective trust rules and plans of the schemes. These include the maximum awards permissible, the vesting periods and the period to expiry from the date of offer. The maximum awards permissible range from 5% to 15% of the respective companies' issued/authorised/nominal share capital. Awards typically vest over a four-year period (three years for PSUs) and expiry dates are typically 10 years after the offer date. The relevant company may buy back its shares on the open market to avoid its shareholders incurring dilution as a result of its obligations to settle gains in employee incentive schemes.

For further details of each of the share-based incentive schemes, see the Combined Carve-out Financial Statements.

The trustees/administrators of the share-based incentive schemes may at any time, with the agreement of the beneficiaries, cancel any acquisition of scheme shares to the extent that delivery of the scheme shares has not yet occurred. In circumstances where the acquisition price (as defined in the share-based scheme rules) of scheme shares is substantially higher than the current market price thereof, the trustees/administrators may, in their discretion, determine that the current awards no longer serve as an incentive to beneficiaries and that they should be cancelled as permitted by the share-based scheme rules.

Group Longer-term Incentives

Terms Common to both the Share Option Plan and Share Award (RSU/PSU) Plan (together, the Plans)

Eligibility

Options and awards (**Awards**) may be granted to an employee of the Group and executive Director at the discretion of the Board or any authorised committee. For purposes of this summary, the powers of the Board may be exercised by an authorised committee.

Awards

Awards may only be granted at a time when the Company is not restricted from granting Awards by law or regulation and only once the Plans are approved by shareholders. Awards are granted for free.

Awards granted under the Plans are personal to the participant and, except on the death of the participant, may not be transferred. Awards granted under the Plans are not pensionable.

Individual Limits

The Board will determine the value of Awards to be granted to each participant. The maximum aggregate number of N Ordinary Shares over which Awards under each of the Plans and any other plan operated by the Group may be granted to any participant is 1% of the issued share capital of the Company from time to time.

Overall Limits

The maximum aggregate number of N Ordinary Shares over which Awards under the Plans and any other employee share plan operated by the Group from time to time may be granted is 10% of the issued share capital of the Company from time to time.

Malus and Clawback

The Board may decide that an Award shall be subject to malus and/or clawback conditions as adopted by the Company from time to time.

Cash Alternative

The Board may elect, instead of issuing or procuring the transfer of N Ordinary Shares, to pay cash to the participant on vesting/exercise.

Alterations

The Board may at any time amend the Plans. The Company will require the prior approval of the Company in general meeting for certain amendments to the advantage of participants and any amendment that is to the material disadvantage of participants in relation to Awards already granted to them requires their majority consent.

Governing Law

The Plans are governed by the laws of the Netherlands.

Terms for the Share Option Plan only

Eligibility

In addition to employees and executive Directors, SOs may also be granted to a consultant (including an employee of a consultant) or any other independent adviser of the Group at the discretion of the Board.

SOs

SOs will be granted with an exercise price payable on exercise, which is set by the Board based on the closing price of the N Ordinary Shares on Euronext Amsterdam on the trading day before the grant date.

Vesting and Exercise of SOs

SOs vest as to 25% of the N Ordinary Shares under option on each of the first four anniversaries of the grant date. SOs can be exercised from vesting until the tenth anniversary of the grant date.

Entitlement to Ordinary Dividends

The Board may decide at any time that participants should receive an additional benefit equal in value to any ordinary dividends that they would have received between the grant date and exercise if they had been the holders of the vested N Ordinary Shares under option.

Leavers

If a participant ceases employment before an SO vests due to lawful dismissal, retrenchment, mutual agreement, resignation and redundancy, their SO will become exercisable on the date of cessation to the extent already vested. In all other circumstances, the SO will vest in full on the date of cessation.

Corporate Events

Early vesting in full may also be permitted on a change of control.

In the event of any variation in the share capital of the Company, or in the event of a reorganisation, demerger, special dividend, or other similar event which affects the market price of the N Ordinary Shares to a material extent, the Board may make such adjustments as it considers appropriate to the number of N Ordinary Shares under an SO or the SO price.

Terms for the Share Award (RSU/PSU) Plan only

Awards

Awards may be granted as either a PSU under which, if performance conditions are met (which are set by the Board when the PSU is granted), the N Ordinary Shares are delivered automatically to the participant or an RSU which is the same as a PSU, except with no performance conditions.

Vesting of Awards

RSUs vest as to 25% of the N Ordinary Shares under the RSU on each of the first four anniversaries of the grant date. PSUs vest on the date(s) set by the Board at grant, or if later, the date that the Board determines whether the performance condition has been satisfied.

Leavers

If a participant ceases employment before an Award vests due to death, ill health or permanent disability, their Award will vest early when they leave (in the case of PSUs, based on at target achievement of performance conditions).

Where the reason for cessation is jurisdictional issues, retrenchment, retirement, or the company or business for which they work being transferred out of the Group, their Award will vest when they leave but will be time pro-rated and, in the case of PSUs, subject to the achievement of performance conditions, determined at the discretion of the Board. The Board has discretion to allow early vesting in other circumstances but the default position is that Awards lapse on cessation in those circumstances.

Corporate Events

Early vesting may also be permitted on a change of control. On a demerger, special dividend or other similar event which, in the opinion of the Board, impacts the market price of the N Ordinary Shares to a material extent, the Board can decide whether to allow early vesting of Awards, cancel or substitute Awards.

In the event of any variation in the share capital of the Company, or in the event of a reorganisation, demerger, special dividend, or other similar event which affects the market price of the N Ordinary Shares to a material extent, the Board may make such adjustments as it considers appropriate to the number of N Ordinary Shares under an Award.

Participation of Executive Directors in Share Schemes

The table below sets out details of LTI plans in which the executive Directors participate in as at the date of this Prospectus:

<u>Name of Scheme</u>	<u>Type</u>	<u>Entity</u>	<u>Details</u>
MIH Services FZ LLC Share Trust..	SO	Naspers N Ordinary Shares	Awards are settled in Naspers N Ordinary Shares. ⁽ⁱ⁾ Options granted before 25 August 2017 vest over three, four and five years respectively. Options granted after 25 August 2017 vest after years one, two, three and four. 10-year term.
Naspers Global Ecommerce SAR Plan	SAR	Naspers Global Ecommerce	Awards reference Naspers N Ordinary Shares. ⁽ⁱⁱ⁾ One-fifth of awards granted vests after years one, two, three, four and five. 10-year term.

(i) As at the date of this Prospectus, it is not contemplated that the SOs will be amended to vest in N Ordinary Shares.

(ii) As at the date of this Prospectus, it is not contemplated that the SARs will be amended to reference N Ordinary Shares.

For a description of how the Naspers Group's LTIs (including the MIH Services FZ LLC Share Trust and the Naspers Global Ecommerce SAR Plan as well as any unvested SARs and vested SOs and SARs under any scheme) operate, see "*Naspers Group Longer-term Incentives*". As at the date of this Prospectus, no Awards have been made under the Group's LTIs. See "*Group Longer-term Incentives*".

MIH Services FZ LLC Share Trust

A summary of executive Directors' participation in Naspers scheme shares, in relation to Naspers N Ordinary Shares outstanding (unvested) at 31 March 2019, is set out below.

Name	Offer Date	Number of Naspers N Ordinary Shares ⁽ⁱ⁾	ZAR/US\$ Exchange Rate at the Offer Date	Face value per Naspers N Ordinary Share (US\$) ⁽ⁱⁱ⁾	Release Period/Vesting Period	ZAR/US\$ Exchange Rate at the Offer Date	Fair Value per Naspers N Ordinary Share ^{(iii)(iv)}	
							Total US\$ (Lower) ^(v)	Total US\$ (Top) ^(v)
Van Dijk, Bob.....	05/07/2016	147,906	14.96097	137	05/07/2019 to 05/07/2021	14.96097	56.28	69.55
	08/09/2017	38,796	13.481459	204	08/09/2019 to 08/09/2021	13.481459	59.68	80.39
	25/06/2018	61,142	13.528376	229	25/06/2019 to 25/06/2022	13.528376	59.59	99.89
Sgourdos, Vasileios (Basil)	04/09/2014	7,471	10.45498	122	04/09/2019	10.45498	66.38	66.38
	18/09/2015	4,494	13.220247	124	18/09/2019 to 18/09/2020	13.220247	63.85	69.08
	25/09/2015	919	13.737243	116	25/09/2019 to 25/09/2020	13.737243	60.10	65.05
	29/08/2016	9,691	14.529991	160	29/08/2019 to 29/08/2021	14.529991	62.56	78.07
	08/09/2017	4,332	13.481459	204	08/09/2019 to 08/09/2021	13.481459	59.68	80.39
	25/06/2018	33,108	13.528376	229	25/06/2019 to 25/06/2022	13.528376	59.59	99.89

- (i) Total number of Naspers N Ordinary Shares: Bob van Dijk (247,844.00) and Basil Sgourdos (60,015.00).
- (ii) The face value at grant date of the Naspers N Ordinary Share options was adjusted by the value of the MultiChoice Group share on the closing price of ZAR106.01 of the listed MultiChoice Group shares on the date of the MultiChoice Unbundling.
- (iii) The awards have been made in ZAR and all ZAR amounts have been converted to US\$ for comparative purposes. The value of the option represents the fair value on grant date in accordance with IFRS-EU.
- (iv) Options granted before 25 August 2017 vest over three, four and five years respectively. Options granted after 25 August 2017 vest after years one, two, three and four. The value of the option represents the fair value on grant date in accordance with IFRS-EU. As such, the fair value per Naspers N Ordinary Share under an option, will depend on the grant date. The column Total US\$ (Lower) sets out the lower end of the range, and the column Total US\$ (Top) sets out the top end of the range, of the individual tranches.
- (v) A grant is divided into the underlying tranches and valued at the grant date using a Bermuda Binomial Model (options pricing model). As the individual tranches are valued, which have different expected time to maturity, the fair value at grant date per tranche will be different. As such, a range is provided.

Unvested SARs

A summary of executive Directors' participation in other Group share-based incentive schemes in relation to unvested SARs at 31 March 2019, is set out below:

Name	SAR	Offer Date	Number of SARs	Purchase Price per SAR (US\$)	Release Period/Vesting Period	Fair Value per Naspers N Ordinary Share (US\$) ^{(iii)(v)}	
						Total US\$ (Lower)	Total US\$ (Top)
Van Dijk, Bob ⁽ⁱ⁾	Naspers Global Ecommerce SAR Plan	12/09/2014	1,493,229	15.58	12/09/2019	5.59	
	Naspers Global Ecommerce SAR Plan	15/08/2017	587,156	27.25	15/08/2019 to 15/08/2022	6.24 to 7.91	
	Naspers Global Ecommerce SAR Plan	08/09/2017	140,208	27.60	08/09/2019 to 08/09/2022	6.18 to 7.80	
	Naspers Global Ecommerce SAR Plan	25/06/2018	418,434	33.57	25/06/2019 to 25/06/2022	11.23 to 14.61	
	SimilarWeb Limited SAR Plan ^(iv)	10/09/2014	39,937	1.45	10/09/2019	0.55	
Sgourdos, Vasileios (Basil) ⁽ⁱⁱ⁾	Naspers Global Ecommerce SAR Plan	17/09/2015	19,367	18.59	17/09/2019 to 17/09/2020	6.47 to 6.84	
	Naspers Global Ecommerce SAR Plan	29/08/2016	97,801	20.45	29/08/2019 to 29/08/2021	6.27 to 7.07	
	Naspers Global Ecommerce SAR Plan	15/08/2017	101,413	27.25	15/08/2019 to 15/08/2022	6.24 to 7.91	
	Naspers Global Ecommerce SAR Plan	08/09/2017	84,071	27.60	08/09/2019 to 08/09/2022	6.18 to 7.80	
	Naspers Global Ecommerce SAR Plan	25/06/2018	214,759	33.57	25/06/2019 to 25/06/2022	11.23 to 14.61	
	Showmax SAR Plan ^(v)	18/09/2015	2,223	18.00	18/09/2019 to 18/09/2020	9.83 to 10.28	

- (i) Bob van Dijk held 2,639,027 unvested SARs under the Naspers Global Ecommerce SAR Plan at 31 March 2019.
- (ii) Basil Sgourdos held 517,411 unvested SARs under the Naspers Global Ecommerce SAR Plan at 31 March 2019.
- (iii) The value of the SARs represents the fair value on grant date in accordance with IFRS-EU in respect of scheme currency.
- (iv) Subsequent to the end of FY 2019, Bob van Dijk offered to surrender his SimilarWeb SARs, and this offer was accepted by the Human Resources and Remuneration Committee.
- (v) Upon the MultiChoice Unbundling, a final valuation was performed on the Showmax SAR Plan effective on 31 March 2019. This scheme was wound up, and no value was accrued by Basil Sgourdos.

Vested SOs and SARs

A summary of executive directors' participation SOs (vested in Naspers N Ordinary Shares) and SARs (vested) as at 31 March 2019, is set out below:

SOs

Name	Number of SOs	Release Date	Exchange Rate	Release Value at Release Date (US\$) ⁽ⁱ⁾	Grant Date	Exchange Rate	Face Value at Grant Date (US\$) ⁽ⁱⁱ⁾	Fair Value at Grant Date (US\$)
Van Dijk, Bob.....	277,334	28/03/2019	14.703334	62,319,795	28/03/2014	10.599535	27,391,418	15,225,732
	12,932	08/09/2018	15.112355	2,586,221	08/09/2017	12.862687	2,770,573	641,484
Total.....	290,266	—	—	64,906,016	—	—	30,161,991	15,867,216
Sgourdos, Vasileios (Basil).....	1,444	08/09/2018	15.112355	288,780	08/09/2017	12.862687	309,365	71,629
	7,469	04/09/2018	15.239318	1,512,906	04/09/2014	10.663619	891,397	453,905
	9,120	11/07/2018	13.481892	2,256,304	11/07/2013	9.953082	606,483	315,376
	459	25/09/2018	14.374968	98,598	25/09/2015	13.737243	53,278	25,022
	2,247	18/09/2018	14.925109	464,185	18/09/2015	13.220247	275,146	130,191
Total.....	20,739	—	—	4,620,773	—	—	2,135,669	996,123

(i) The awards sound in ZAR and all ZAR amounts have been converted to US\$ for comparative purposes.

(ii) The face value at grant date of the Naspers N Ordinary Share options was adjusted by the value of the MultiChoice Group share on the closing price of ZAR106.01 of the listed MultiChoice Group shares on the date of the MultiChoice Unbundling.

SARs

Name	SAR	Number of SARs	Release Value (US\$)	Face Value (US\$)	Fair Value (US\$)
Van Dijk, Bob ⁽ⁱ⁾	Naspers Global Ecommerce SAR Plan	1,493,226	49,814,019	23,264,461	7,860,272
	Naspers Global Ecommerce SAR Plan	146,789	4,898,349	4,000,000	810,286
	Naspers Global Ecommerce SAR Plan	35,051	1,169,652	967,408	193,274
	SimilarWeb Limited SAR Plan ⁽ⁱⁱ⁾	39,937	236,826	57,909	20,577
Total.....		1,715,003	56,118,846	28,289,778	8,884,409
Sgourdos, Vasileios (Basil) ⁽ⁱⁱⁱ⁾	Naspers Global Ecommerce SAR Plan	9,682	321,442	179,988	58,500
	Naspers Global Ecommerce SAR Plan	32,599	1,110,974	666,650	188,465
	Naspers Global Ecommerce SAR Plan	25,353	864,030	690,869	139,950
	Naspers Global Ecommerce SAR Plan	21,017	701,337	580,069	115,889
	Showmax SAR Plan ^(iv)	1,111	19,998	19,998	10,329
Total.....		89,762	3,017,781	2,137,574	513,133

(i) Bob van Dijk participated in 1,675,066 vested SARs under the Naspers Global Ecommerce SAR Plan at 31 March 2019.

(ii) Subsequent to the end of FY 2019, Bob van Dijk offered to surrender his SimilarWeb SARs, and this offer was accepted by the Human Resources and Remuneration Committee.

(iii) Basil Sgourdos participated in 88,651 vested SARs under the Naspers Global Ecommerce SAR Plan at 31 March 2019.

(iv) Upon the MultiChoice Unbundling, a final valuation was performed on the Showmax SAR Plan effective 31 March 2019. This scheme was wound up, and no value was accrued by Basil Sgourdos.

Interests of Directors and Senior Management

As at the date of this Prospectus, no Directors or members of Senior Management held direct and/or indirect beneficial interests in, or options over, the A Ordinary Shares or N Ordinary Shares.

On the Capital Restructure Date, it is expected that the Directors or members of Senior Management will hold the following direct and indirect beneficial interests in, or options over, the A Ordinary Shares or the N Ordinary Shares.

A Ordinary Shares

Name	Direct	Indirect	Total	Percentage of A Ordinary Shares
Stofberg, Jacobus Du Toit (Cobus).....	—	640	640	0.018%
Pacak, Stephan Joseph Zbigniew (Steve)	—	320	320	0.009%
Total	—	960	960	0.027%

As at the date of this Prospectus, Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited (**Wheatfields**), which controls 168,605 Nasbel ordinary shares, 16,860,500 Keerom ordinary shares and 169,865 Naspers A Ordinary Shares. On the Capital Restructure Date, it is expected that Wheatfields will control 657,613 A Ordinary Shares.

N Ordinary Shares

Name	Direct	Indirect ^(iv)	Total	Percentage of N Ordinary Shares
Directors^{(i) (iii)}				
Bekker, Jacobus Petrus (Koos)	—	4,688,691	4,688,691	0.289%
Van Dijk, Bob.....	51,809	922,451	974,260	0.060%
Sgourdos, Vasileios (Basil).....	32,483	84,661	117,144	0.007%
Choi, Emilie Monica	—	—	—	0.000%
Du Toit, Hendrik Jacobus	—	—	—	0.000%
Enenstein, Craig Lawrence.....	—	415	415	0.000%
Eriksson, Donald Gordon (Don).....	—	—	—	0.000%
Jafta, Rachel Catharina Cornelia.....	—	—	—	0.000%
Letele, Francis Lehlohonolo Napo (Nolo)	1,474	—	1,474	0.000%
Meyer, Debra	—	—	—	0.000%
Oliveira de Lima, Roberto	—	—	—	0.000%
Pacak, Stephan Joseph Zbigniew (Steve)	376,635	291,548	668,183	0.041%
Phaswana, Tshamano Mohau Frederik (Fred)	—	3,530	3,530	0.000%
Sorour, Mark Remon.....	2,145	101,713	103,858	0.006%
Stofberg, Jacobus Du Toit (Cobus).....	159,831	291,888	451,719	0.028%
Van der Ross, Benedict James (Ben).....	2,550	820	3,370	0.000%
Total	626,927	6,385,717	7,012,644	0.432%
Senior Management^{(i) (ii)}				
Illg, Larry.....	—	28,168	28,168	0.002%
Kolek, Patrick (Pat)	—	11,493	11,493	0.001%
Le Moal, Laurent.....	—	9,695	9,695	0.001%
O'Toole, Aileen	—	19,434	19,434	0.001%
Scheepbouwer, John Martin (Martin)	4,603	39,653	44,256	0.003%
Searle, Charles St Leger (Charles).....	—	54,691	54,691	0.003%
Tudor, David Glyndwr (David).....	—	13,357	13,357	0.001%
Total	4,603	176,491	181,094	0.011%

(i) Assuming that none of the Directors and members of Senior Management elect to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. A Director and member of Senior Management will, however, be able to elect to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue, if he or she wishes to do so.

(ii) Other than the Chief Executive Officer and the Financial Director of the Company.

(iii) Manisha Girotra did not on the date of this Prospectus have, and is on the Capital Restructure Date not expected to have, a direct and indirect beneficial interests in, or options over, the A Ordinary Shares or the N Ordinary Shares.

- (iv) Expected holdings of N Ordinary Shares based on Naspers SOs that have been released (vested), but have not yet been exercised, are included in the indirect column:

Director/Member of Senior Management	Number of released/vested options for FY 2019 and up to Capital Restructure Date
Van Dijk, Bob	922,451
Illg, Larry	28,168
Kolek, Patrick (Pat).....	11,493
Le Moal, Laurent	9,695
O'Toole, Aileen.....	19,434
Pacak, Stephan Joseph Zbigniew (Steve).....	254,000
Sgourdos, Vasileios (Basil).....	84,661
Sorour, Mark Remon	101,394
Scheepbouwer, John Martin (Martin).....	39,653
Searle, Charles St Leger (Charles)	54,691
Tudor, David Glyndwr (David).....	13,357

Service Agreements and Notice Periods

As at the date of this Prospectus, the Chief Executive Officer of the Company and the Financial Director of the Company do not enjoy contractual severance provisions. Notice periods on the side of the employer are six months for the Chief Executive Officer of the Company and three months for the Financial Director of the Company.

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.

It is intended that the governance structures of the Company will substantially mirror those of Naspers. On the date of this Prospectus, each Director is a member of the Naspers Board. Some of the Directors are also members of the boards of directors of Nasbel and Keerom, but do not represent the majority of members of those boards of directors. See "*Management, Employees and Corporate Governance—Management, Employees and Corporate Governance—General Information about the Directors and Senior Management*" for, among other things, these directorships. Each of the boards of directors of Nasbel and Keerom operates independently from each other. See "*Shareholder Structure and Related Party Transactions—Protection Structure—Company Protection Structure*". In addition, certain Directors have a direct or indirect beneficial interest in Naspers A Ordinary Shares and Naspers N Ordinary Shares and, pursuant to the Capital Restructure, it is expected that certain Directors will have a direct or indirect beneficial interest in A Ordinary Shares and N Ordinary Shares on the Capital Restructure Date. See "*Management, Employees and Corporate Governance—Interests of Directors and Senior Management*" and "*Management, Employees and Corporate Governance—Participation of Executive Directors in Share Schemes*" for the interests of the Directors in the share capital of the Company. For further information on Directors' interests in Naspers A Ordinary Shares and Naspers N Ordinary Shares, see Naspers's continuing disclosures made in this regard. Since Naspers's interests, as a shareholder of the Company, do not have to be aligned with the interests of the Company, a conflict of interest might arise. See also "*Shareholder Structure and Related Party Transactions—Related Party Transactions*" and "*Description of Share Capital and Corporate Structure—Related Party Transactions*".

The Board does not expect that the circumstances described above, and, in particular, that each Director is also a member of the Naspers Board, will cause any of the Directors to have a conflict with the duties they have towards the Company. However, the Board Charter include arrangements to ensure that the Board will in each relevant situation handle and decide on any (potential) conflict of interest, also in this respect. A Director shall not participate in the deliberation and decision-making process if he or she has a conflict of interest. Other than these circumstances, the Company is not aware of any other circumstance that may lead to a (potential) conflict of interest between the private interests or other duties of Directors and private interests or other duties of Directors towards the Company.

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.

In connection with the Admission to the JSE, the Directors have made certain declarations to the JSE including confirming that none of the Directors:

- has entered into, or has been involved in, any compulsory liquidation, administration or voluntary arrangements of any partnership where such person is or was a partner at the time of, or within the 12 months preceding, such events;
- has had receivership of any of the assets of such person or of a partnership of which he or she is or was a partner at the time of, or within 12 months preceding, such events;
- has been the subject of public criticism by any statutory or regulatory authorities, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- has been convicted of or committed any offence involving dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;
- has ever been removed from an office of trust on the grounds of misconduct and involving dishonesty;
- is or has been subject to any court order declaring him or her delinquent or placing him or her under probation under Section 162 of the South African Companies Act and/or Section 47 of the South African Close Corporations Act, 69 of 1984, as amended, or disqualifying him or her to act as a director under Section 219 of the South African Companies Act, 61 of 1973, as amended, (which has, for the most been repealed) or Section 69 of the South African Companies Act;
- has served as a director or officer of any entity subject to bankruptcy proceedings, receivership or liquidation; or
- 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 was selected as a member of such management body of the Company.

Liability of Directors

Under Dutch law, Directors may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the company for infringement of the Articles of Association or of certain provisions of the Dutch Civil Code. In addition, they may be liable towards third parties for infringement of certain provisions of the Dutch Civil Code. In certain circumstances, they may also incur additional specific civil, administrative and criminal liabilities.

Insurance

Directors and certain other officers are insured under an insurance policy taken out by the Company against damages resulting from their conduct when acting in their capacities as Directors or officers.

Indemnification

The Articles of Association include provisions regarding the indemnification, to the extent permissible by the rules and regulations applicable to the Company, of current and former Directors against: (i) the reasonable costs of conducting a defence against claims for damages or of conducting defence in other legal proceedings; (ii) any damages payable by them; and (iii) the reasonable costs of appearing in other legal proceedings in which they are involved as current or former Directors, with the exception of proceedings primarily aimed at pursuing a claim on their own behalf, based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request – in

the latter situation only if and to the extent that these costs and damages are not reimbursed on account of these other duties.

However, there shall be no entitlement to reimbursement and any person concerned will have to repay the reimbursed amount if and to the extent that: (i) a Dutch court, or in the case of arbitration, an arbitrator, has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterised as wilful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness; (ii) the costs or damages directly relate to or arise from legal proceedings between a current or former Director and the Company, with the exception of legal proceedings that have been brought by one or more shareholders, according to Dutch law or otherwise, on behalf of the Company; or (iii) the costs or financial loss of the person concerned are covered by an insurance policy and the insurer has paid out the costs or financial loss.

Works Council

The Company does not have a works council (*ondernemingsraad*) in place.

Employees

The table below provides an overview of the total number of permanent employees of the Group as at 31 March 2019, 31 March 2018 and 31 March 2017 by segment and region (including joint ventures, but excluding associated companies).

Segment	Fiscal Year		
	2019	2018	2017
Classifieds	5,378	5,058	3,460
Payments and Fintech.....	1,456	1,628	1,857
Food Delivery and other Ecommerce (including Ventures).....	8,260	7,529	6,264
Group	583	220	185
Total.....	15,677	14,435	11,766

Region	Fiscal Year		
	2019	2018	2017
Europe, Middle East and Africa.....	10,449	6,808	4,268
Asia-Pacific	1,361	1,275	3,527
North America	74	1,925	13
Latin America	3,793	2,409	3,958
Total.....	15,677	14,435	11,766

There has been no significant change in the number of employees of the Group since 31 March 2019.

Corporate Governance Code

Dutch Corporate Governance Code

The Dutch Corporate Governance Code, as amended, entered into force on, and applies to any Fiscal Year starting on or after 1 January 2017 and finds its statutory basis in Book 2 of the Dutch Civil Code (the **Dutch Corporate Governance Code**). The Dutch Corporate Governance Code applies to the Company as it has its registered office in the Netherlands and its N Ordinary Shares will be listed on Euronext Amsterdam.

The Dutch Corporate Governance Code is based on a “comply or explain” principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice principles of the Dutch Corporate Governance Code that are addressed to the management board (*bestuur*) or, if applicable, the supervisory board (*raad van commissarissen*) of the

company. If a company deviates from a best practice principle in the Dutch Corporate Governance Code, the reason for such deviation must be properly explained in its management report.

On the First Trading Date, the Company will not comply with the following principles of the Dutch Corporate Governance Code:

- *best practice provision 1.3.1: internal audit function: appointment and dismissal:* the Board has delegated certain powers to the Audit Committee, including overseeing the internal audit function. The Board believes that the Audit Committee, whose members are financially literate and have business as well as financial acumen, are well placed to do so. As such, the Audit Committee, and not the Board, appoints the Group Head of Internal Audit;
- *best practice provision 1.3.2: internal audit function: assessment of the internal audit function:* as discussed above, the Board has delegated certain powers to the Audit Committee. The Audit Committee (pursuant to the powers delegated to it by the Board), and not the Board, assesses the internal audit function;
- *best practice provision 2.1.7: independence of the supervisory board:* each Director is also a member of the Naspers Board and the composition of each Board committee is the same as the corresponding Naspers Board committee. The Company believes that it is in the best interests of the Group and the Company's shareholders that the Board and the Naspers Board (and their respective committees) have the same composition. While certain Directors are considered independent for purposes of the South African King Code, they are not considered independent for the purposes of the Dutch Corporate Governance Code (See "*Management, Employees and Corporate Governance—Directors*"). As such, as at the date of this Prospectus, at least half of the non-executive Directors are not independent for purposes of the Dutch Corporate Governance Code. As at the date of this Prospectus, the majority of the non-executive Directors are, however, independent for the purposes of the South African King Code;
- *best practice provision 2.1.9: independence of the chairman of the supervisory board and best practice provision 5.1.3: independence of the chairman of the management board:* As at the date of this Prospectus, Koos Bekker is the Chair of the Board and the Naspers Board. He is a former Chief Executive Officer of Naspers, a former executive Director and is not independent within the meaning of best practice provision 2.1.8. The Company believes that his experience and industry knowledge (gained while at the Naspers Group) benefit the Company and its shareholders, which outweigh any perceived disadvantage of non-independence or of being a former member of the management board of the Company. In addition, in accordance with the recommended practice of the South African King Code where the Chair of the Board is not independent, the Company has appointed a Lead Independent Director. When the Chair of the Board is unable to perform his/her duties or is conflicted, the Lead Independent Director will take over as an interim measure until a new candidate has been determined or the Chair of the Board is able to resume his/her responsibilities;
- *best practice provision 2.2.1: appointment and reappointment periods — management board members:* neither the Chief Executive Officer nor the Financial Director of the Company has a fixed appointment term. The Group intends to continue to focus on building platforms that address major societal needs in high-growth markets. This strategy requires the Group, and its Chief Executive Officer and the Financial Director, to take a long-term perspective. Considering its business and strategy, the Group believes that it is appropriate not to limit their appointment to a four-year term;
- *best practice provision 2.3.4: composition of the committees — audit committee and remuneration committee:* as discussed under best practice provision 2.1.7, each Director is also a member of the Naspers Board and the composition of each Board committee is the same as the corresponding Naspers Board committee. The Company believes that it is in the best interests of the Group and the Company's shareholders that the Board and the Naspers Board (and their respective committees) have the same composition. While certain Directors are considered independent for purposes of the South African King Code, they are not considered independent for the purposes of the Dutch Corporate Governance Code (See "*Management, Employees and Corporate Governance—Directors*"). When considering the composition of any Board committee, the Company will apply the test for a non-executive Director's independence set out in the South African King Code. As such, as at the date of this Prospectus, at least half of the members of the Audit Committee are not independent for purposes of the Dutch Corporate Governance Code. As at the date of this Prospectus, at least half of the members of the Audit Committee are, however, independent for purposes of the South African King Code; and

- *best practice provision 4.1.3: the general meeting – agenda:* 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 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.

South African King Code

The Code of Corporate Practices and Conduct as set out in the South African King Code applies to JSE-primary listed issuers with effect from 1 October 2017. The Company, as a JSE-secondary listed issuer, has elected to comply with the South African King Code, to the extent possible and practical, on a voluntary basis. The South African King Code will thus serve as a secondary guideline to the Company on matters of corporate governance.

The South African King Code is based on an “apply and explain” principle. Accordingly, companies are required to disclose in their management report whether or not they are complying with the various best practice principles of the South African King Code that are addressed to the board of directors of the company and explain how it has done so.

The Company acknowledges the importance of good corporate governance. The Company agrees with the general approach and with the majority of the provisions of the Dutch Corporate Governance Code and the South African King Code. Considering the Company’s interests and the interest of its stakeholders, it is expected that the Company will comply with the Dutch Corporate Governance Code, as its primary corporate governance code. In the event, and to the extent, of a conflict between the Dutch Corporate Governance Code and the South African King Code, the Company will comply with the Dutch Corporate Governance Code.

On the First Trading Date, the Company will apply the principles of the South African King Code as set out in the table below.

Principle	Application
1. The governing body should lead ethically and effectively.	<p>Directors individually and collectively demonstrate accountability, competence, fairness, integrity, responsibility and transparency to provide effective leadership, which, together with management, assists in achieving strategic objectives. The induction of new Directors, and ongoing training of Directors, ensures that Directors have the necessary knowledge and competence to fulfil their duties.</p> <p>Adequate information is provided in the Board and committee papers. Regular progress reports are provided to Directors for the individual business units. At each Board meeting, Directors are updated on new trends and technologies.</p> <p>The Company Secretary and the Group General Counsel provide professional and independent guidance to the Board collectively, and each director individually, on their duties and responsibilities, and draw their attention to relevant legislation and regulations.</p> <p>The Board ensures proper disclosure of how it exercises its governance role. The Board and its committees monitor financial, environmental, social and governance matters, as well as risks and opportunities.</p>
2. The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	<p>The Board sets the tone at the top and oversees the management of ethics and, in particular, that it results in the outcomes envisaged by the Dutch Corporate Governance Code and the South African King Code. The Group Code of Business Ethics and Conduct and related policies encompass the Group’s interaction with internal and external stakeholders and broader society.</p>

Principle

Application

Management teams across the Group understand and apply the Group Code of Business Ethics and Conduct and create and maintain awareness of the Group Code of Business Ethics and Conduct and whistle-blower policy. Reference to the Group Code of Business Ethics and Conduct is included in the contracts of new employees of major subsidiaries, and in the induction process for new employees. The Group Code of Business Ethics and Conduct applies to the recruitment, performance evaluation and reward processes.

Management teams are required to monitor adherence to the Group Code of Business Ethics and Conduct and apply a zero-tolerance policy to violations. Sanctions are in place for violations, including referral for criminal prosecution.

Reference to the Group’s ethical values is included in third-party contracts of some major subsidiaries. Contractors, agents and consultants who work with any member of the Group are expected to follow the same standards of business conduct. Members of the Group may require specific steps to be taken, including, where appropriate, due diligence checks and specific contractual terms for certain types of contractors, agents and consultants.

Internal audit and risk support monitor the Group’s whistle-blower facility, which is operated by Deloitte Tip-offs Anonymous. Where appropriate, internal audit and/or external forensic consultants investigate reported matters. Significant allegations and fraud are reported to the Audit Committee and the Risk Committee. The Naspers Social and Ethics Committee receives reports on whistle-blower activity and ethics. Internal audit and risk support provide the Naspers Social and Ethics Committee as well as the Human Resources and Remuneration Committee with an assessment of the Group’s ethics performance annually.

3. The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

The Group’s sustainable development policy includes the responsibility for corporate citizenship. The Group’s purpose, values and strategy are aligned with the principles of responsible corporate citizenship.

The Board oversees and monitors corporate citizenship, assisted by the Naspers Social and Ethics Committee. The Group, across its diverse businesses, manages numerous corporate citizenship initiatives affecting the economy, environment, local employment, health and safety laws, society and the workplace; employee development opportunities; responsible tax policy; fraud and anti-bribery and anti-corruption initiatives; initiatives to minimise impact on the environment; and corporate social investment initiatives contribute to the societies in which its businesses operate.

4. The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

The Board is responsible for the Group’s performance by steering and providing strategic direction, and overseeing the adoption of strategy and plans (which originate from management).

Annually, the Board approves the strategy, objectives and business plans for the following Fiscal Year. Management is responsible to implement the plans, and is incentivised to do so through annual performance-related incentives linked to the Group’s objectives and strategy.

In approving the strategy, the Board takes into account sustainability aspects in long-term planning, risks and opportunities, and legitimate and reasonable interests of major stakeholders.

Principle

Application

	<p>The business plan covers short-term (one year), medium-term (three years) and longer-term aspects such as investing in technologies of the future. The Board regularly assesses the asset portfolio. The business plan is a bottom-up/top-down inclusive process. It focuses on the sustainability of the businesses, taking account of changing economic, competitive, technological and other market conditions.</p> <p>The Board oversees implementation of the strategy and business plan by management against agreed performance measures and targets. Performance is monitored via regular financial updates, business segment progress reports and presentations at Board meetings.</p> <p>Risk management is an integral part of the business. In its deliberations, the Board, assisted by its committees, considers the overall sustainability of the Group from a “people, profit and planet” perspective.</p>
<p>5. The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance, and its short-, medium- and long-term prospects.</p>	<p>The Chairs of the Board’s committees report to the Board at each scheduled Board meeting, keeping the Board apprised of developments in terms of their mandates.</p> <p>The Audit Committee, and ultimately the Board, is responsible for overseeing the Company’s reporting and approving management’s determination of reporting frameworks and basis for determining materiality. IFRS is used for financial reporting purposes, and the international integrated reporting framework is used in the preparation of the integrated annual report. The Board, assisted by its committees, oversees the audit and integrated annual reporting process.</p> <p>To assist the Board in ensuring the integrity of the integrated annual report, the Audit Committee reviews this report prior to making a recommendation to the Board for approval. The Group’s external auditor audits or reviews, as appropriate, external financial reporting and material non-financial information included in the integrated annual report.</p>
<p>6. The governing body should serve as the focal point and custodian of the corporate governance in the organisation.</p>	<p>The Board exercises its leadership and oversight role by annually approving the strategy and the business plan and overseeing implementation. Accountability for the Group’s performance is ensured by its financial reporting and integrated annual report, together with disclosure of general and investor information on the Company’s website.</p> <p>The Board’s role, responsibilities, membership requirements and procedural conduct are documented in the Board Charter, which it regularly reviews to guide its effective functioning.</p> <p>Board-approved policies set out the processes to be followed for: (i) any of its members or committees to obtain independent, external professional advice at the cost of the Group on matters within the scope of their duties; and (ii) its non-executive members for requisitioning documentation from, and setting meetings with, management.</p>
<p>7. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to</p>	<p>All Board policies, and the Board and committee rules are reviewed annually.</p> <p>Board-approved policies inform processes to achieve an appropriate balance of experience, diversity, independence, knowledge and skills on the Board. The composition of the Board (including non-executive Director rotation) is reviewed annually by the Nomination Committee, which makes recommendations to the Board. The Board promotes diversity in its membership and considers its composition holistically,</p>

Principle

discharge its governance role and responsibilities objectively and effectively.

8. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.

9. The governing body should ensure that the evaluation of its own performance and that of its committees, its

Application

taking into account all aspects of diversity (including gender) in terms of its diversity policy, and capitalising on differences in the skills, geographical and industry experience of the Directors. The Chief Executive Officer and the Financial Director of the Company are Directors. In the event that the Chair of the Board is unable to perform his/her duties or is conflicted, the Lead Independent Director will take over as an interim measure until a new candidate has been determined or the Chair of the Board is able to resume his/her responsibilities. In the annual review of Board and committee composition, succession planning, including upcoming retirements, are considered and, where appropriate, new appointees are identified. All aspects of diversity are considered in succession planning, while training requirements are considered in developing executive and non-executive Directors.

The nomination, election and appointment processes are formal and transparent, and include a fit-and-proper test. Formal terms of appointment are in place for each non-executive Director.

The Nomination Committee and the Board evaluate the categories of Directors annually, categorising Directors as executive, non-executive and/or independent. The independence of non-executive Directors is assessed prior to their appointment to the Board and, thereafter, annually.

The Board's Audit Committee, Human Resources and Remuneration Committee, Nomination Committee, Project Committee and Risk Committee fulfil key roles in ensuring good corporate governance.

In determining responsibilities delegated to committees, the Board was guided by legal and regulatory requirements, the recommendations of the Dutch Corporate Governance Code, the South African King Code and what is appropriate for the Group.

Rules are approved by the Board for all committees and reviewed annually. Committee rules deal with composition, delegated authority, meeting procedures, performance evaluation arrangements, right to obtain professional advice and role and responsibilities. All committee members are Directors which includes executive members. Committees report to the Board at each scheduled Board meeting. There is overlapping membership between all committees for more effective functioning. Delegating responsibilities does not discharge the Board's accountability, and the Board collectively considers information, opinions, recommendations, reports and statements presented to it.

Members of the executive and Senior Management are invited to committee meetings to provide information and insights in their areas of responsibility. Any Director is entitled to attend any committee meeting as an observer, subject to agreement by the Chair of that committee. However, they do not have a vote and are not entitled to fees for attendance.

The Audit Committee has the power to make decisions on its statutory duties, and is accountable for its performance in this regard. The Board is ultimately accountable for other responsibilities delegated to the Audit Committee. The external audit partner and head of internal audit and risk support have unrestricted access to the Chair of the Audit Committee, which meets separately with auditors twice a year.

The Board determines how performance evaluations of the Board, its committees, individual members and its Chair should be approached every second year. A formal in-house self-assessment of the Board's own effectiveness, as well as its committees, individual members and

Principle	Application
	<p>its Chair is performed every second year. The Board’s performance in general is considered every year as part of the review of the composition of the Board and its committees. The Lead Independent Director leads the evaluation of the Chair of the Board.</p>
<p>10. The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.</p>	<p>The Board approves the appointment of the Chief Executive Officer and the Financial Director of the Company. The Human Resources and Remuneration Committee considers the performance of the Chief Executive Officer and the Financial Director of the Company annually against agreed performance incentive objectives. The Audit Committee considers the performance of the Financial Director and the finance function and reports thereon in its report included in the integrated annual report. The Board approves the Group levels of authority annually, which include delegated authorities to the Chief Executive Officer of the Company. The Board evaluates the overall performance of the Chief Executive Officer and the Financial Director of the Company. The integrated annual report discloses performance measures for the Chief Executive Officer, the Financial Director and the Chief Investment Officer of the Company. Executive Directors are also assessed in their capacity as Directors as part of the annual individual Directors’ evaluation process.</p> <p>Succession plans, including interim appointees, for the Chief Executive Officer of the Company and the members of Senior Management are reviewed annually by the Human Resources and Remuneration Committee.</p>
<p>11. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The Board appoints the fulltime Company Secretary. The office of the Company Secretary is empowered and carries the necessary authority. The Company Secretary has the necessary knowledge, skills and expertise to provide independent guidance and support. The Company Secretary reports to the Chair of the Board on all statutory duties and functions performed for the Board.</p> <p>On other duties and administrative matters, the Company Secretary reports to the Financial Director. The performance and independence of the Company Secretary is evaluated annually by the Human Resources and Remuneration Committee, Nomination Committee and the Board.</p> <p>The Board approves the Company’s risk management policy, which is reviewed annually.</p> <p>Responsibility for managing risks and opportunities is shared by all the Group’s decision-makers, from the Board to Group and segment Chief Executive Officers through to other management with delegated responsibilities. Opportunities are identified and reported through various governance structures as part of the oversight process. Risks and opportunities are considered in setting strategy and discussing the annual business plan and budget. Executive management is responsible for identifying, managing and reporting risk. The Group’s risk framework, register and heat map drive the reporting process to ensure key objectives are identified and associated risks are considered, assessed and reported.</p> <p>The Board treats risk as integral to its decisions and in executing its duties, and evaluates and determines the nature and extent of risk the Group is willing to take in pursuing its strategic objectives. The Group has an entrepreneurial approach and many important risks are not easily quantifiable. As a group, the Group does not consider risk-bearing capacity in a technical sense in its strategic decisions, but it</p>

Principle

Application

- rigorously and regularly assesses risks and opportunities. A robust process is followed in evaluating new opportunities. The Group believes that it runs adequate insurance programmes to mitigate the risk of sudden losses caused by an insurable risk materialising.
- The Risk Committee assists the Board in its risk oversight role as well as overseeing the six capitals (financial capital, manufacturing capital, human capital, social and relationship capital, intellectual capital and natural capital) from a social and ethics perspective.
- The risk register reported to the Risk Committee details mitigating management actions as appropriate in response to risks. Business continuity is considered a key risk in the Group and is managed accordingly.
- Internal audit provides assurance annually on the effectiveness of the risk management processes across the Group.
12. The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.
- The Board approves and annually reviews the information and technology governance rules and cybersecurity policy. Information and technology governance is integrated in the operations of the Group's businesses. The management of each subsidiary or business unit is responsible for ensuring effective processes are in place on information and technology governance. The Group's subsidiaries are required to act in line with the Group's good governance guidelines, which, among other things, detail information and technology governance-related matters. Subsidiaries of each significant subsidiary are required to submit an annual formal written report on the extent to which they have implemented the principles, and segment Chief Executive Officers and Chief Financial Officers sign off thereon. Any notable exceptions are summarised and reported to the Risk Committee. Information and technology governance is applied in the context of enterprise-wide risk and opportunity management. Business resilience is a key objective of cybersecurity plans, which address, monitor and respond to cyber-incidents. The capability of businesses to respond to disruption is in scope for internal audit. A cyber-incident response team, appropriate security measures and incident response plans are in place.
- Compliance with relevant laws and ethical and responsible use of information and technology are addressed through the Group Code of Business Ethics and Conduct and legal compliance and data-privacy programmes. Data privacy is a high priority for the Group.
- Internal audit provides assurance to management, the Risk Committee and Board on the effectiveness of information and technology governance, based on detailed controls to manage identified risks and reduce vulnerability. The Group's Risk Committee oversees information and technology from a risk and ethics perspectives respectively.
- These arrangements for governing and managing information and technology enable the Risk Committee, and ultimately the Board, to oversee the Group's information and technology governance.
13. The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the organisation being ethical and a good corporate citizen.
- Legal compliance falls within the responsibilities of the Group General Counsel, who is also the Chief Legal Compliance Officer. The Chief Legal Compliance Officer reports on legal compliance to the Risk Committee. Legal compliance is a standing agenda point.
- Responsibility for legal compliance in each segment rests with the general counsel of that segment, who oversees legal compliance for the subsidiaries within his or her segment.

Principle

Application

14. The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.

The legal compliance framework includes: (i) Group-wide policies that apply to every legal compliance programme in the Group, built on the principles in the code of business ethics and conduct. Subsidiaries are responsible for implementing a fit-for-purpose legal compliance programme based on the risks applicable to their business but, as a minimum, containing these Group policies; and (ii) a compliance toolkit including detailed guidelines and resources based on the group policies to be tailored by the segments and businesses to reflect local legal requirements and risks.

These arrangements enable the Risk Committee, and the Board, to oversee the Group’s legal compliance holistically in a way that supports the Group being an ethical and good corporate citizen.

The Board annually reviews the remuneration policy applicable to the executive Directors. It has delegated oversight of executing the remuneration policy to the Human Resources and Remuneration Committee, which reports to the Board on its activities and makes recommendations where required. The remuneration policy applicable to the executive Directors has been approved by the General Meeting. Any subsequent amendments to this remuneration policy are subject to adoption by the General Meeting. The Company’s remuneration policy is designed to attract, motivate, reward and retain employees, as well as promote achieving strategic objectives within the Group’s risk appetite and ethical culture. The policy addresses fair and responsible organisation-wide remuneration and sets out all elements of remuneration.

Remuneration is disclosed in a three-part report included in the integrated annual report: background statement, overview of main provisions of the remuneration policy and an implementation report.

The General Meeting determines the remuneration of the non-executive Directors. The remuneration of the non-executive Board may not be made dependent on the Company’s results. Non-executive Directors will not receive Shares and/or rights to Shares as remuneration. See “—Remuneration Information for the Board—Executive Directors Remuneration” and “—Remuneration Information for the Board—Executive Directors Remuneration—Non-executive Directors”.

The Company will submit the remuneration policy to a vote by the General Meeting, upon a proposal of the non-executive Directors, following advice obtained by the Human Resources and Remuneration Committee, for every material change to the remuneration policy and, in any event, at least every four years. See “—Remuneration Information for the Board—Executive Directors Remuneration”

15. The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation’s external reports.

The Board provides assurance regarding the integrated annual report and annual accounts in its statement of responsibility included in the integrated annual report.

The Audit Committee and the Board oversee that assurance services and functions enable an effective control environment, and support the integrity of information for internal decision-making and the Group’s external reports. Internal audit reports on the internal control environment to the Audit Committee.

The Group follows a combined assurance model, which covers key risks through an appropriate combination of assurance service providers and functions, including line functions that own and manage risks, specialist internal audit and risk support and compliance functions (for the Group and significant businesses), as well as the external auditors

Principle

Application

16. In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

and other relevant parties, such as regulatory inspectors. This model is linked to key risks and an assessment of combined assurance effectiveness is reported to the Audit Committee and Risk Committee. The Company Secretary, Group General Counsel and external counsel guide the Board on legal requirements.

The Head of Internal Audit and Risk Support is appointed by the Audit Committee. The Head of Internal Audit and Risk Support has unrestricted access to and meets periodically with the Chair of the Audit Committee.

Stakeholder engagement is decentralised and dealt with by the communications, investor relations, corporate secretariat, legal and human resources teams and spokespersons in various Group businesses. Overviews of governing and managing stakeholder relationships and measures to monitor effectiveness appear in the integrated annual report and governance report. This demonstrates that the Board adopts a stakeholder-inclusive approach and monitors management’s process of engagement with identified material stakeholders, assisted by the Naspers Social and Ethics Committee. The Board considers stakeholders in decisions and the Company is not steered in a direction to adversely affect the natural environment, society or future generations. Managing stakeholder risk is an integral part of Group-wide risk management.

SHAREHOLDER STRUCTURE AND RELATED PARTY TRANSACTIONS

Shareholder Structure

Major and Controlling Shareholders

As at the date of this Prospectus, Naspers holds all of the Company's issued share capital, comprising 2,452,605 A1 Ordinary Shares and 1,185,996,011 N Ordinary Shares.

It is expected that on the Capital Restructure Date, the following persons, other than Directors (see "*Management, Employees and Corporate Governance—Interests of Directors and Senior Management*"), will have an interest in the Company's share capital or voting rights that is notifiable under the Dutch FMSA.

N Ordinary Shares

Shareholder	Minimum ⁽ⁱ⁾			Maximum ⁽ⁱ⁾		
	N Ordinary Shares	Percentage of N Ordinary Shares	Total Voting Percentage	N Ordinary Shares	Percentage of N Ordinary Shares	Total Voting Percentage
Naspers ⁽ⁱⁱ⁾	1,185,996,011	73	72.84	1,351,851,867	83	83.03
Total	1,185,996,011	73	72.84	1,351,851,867	83	83.03

- (i) The number of N Ordinary Shares that Naspers will hold on the Capital Restructure Date will depend on the Elections made by Naspers N Shareholders to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue, as illustrated below:

Percentage of Naspers N Shareholders Electing to receive Naspers N Ordinary Shares	N Ordinary Shares held by Naspers	Percentage of N Ordinary Shares held by Naspers	Total Voting Percentage of N Ordinary Shares held by Naspers
0.0 (minimum)	1,185,996,011	73.00	72.84
2.5	1,196,962,413	74.00	73.52
5.0	1,207,928,814	74.00	74.19
7.5	1,218,895,216	75.00	74.86
10	1,229,861,617	76.00	75.54
20	1,273,727,223	78.00	78.23
30	1,317,592,829	81.00	80.93
37.8 (maximum)*	1,351,851,867	83.00	83.03

* The number of Naspers N Ordinary Shares that can be issued pursuant to the Naspers N Share Capitalisation Issue is limited to the number of Naspers N Ordinary Shares available in the authorised but unissued share capital of Naspers, being 61,343,941 Naspers N Ordinary Shares. Should the number of Naspers N Ordinary Shares to be issued under the Naspers N Share Capitalisation Issue exceed the number of authorised but unissued Naspers N Ordinary Shares available, then the number of Naspers N Ordinary Shares to which a Naspers N Shareholder exercising the Election would have been entitled if sufficient Naspers N Ordinary Shares were available in the authorised share capital of Naspers will be scaled down on a *pro rata* basis to holdings of Naspers N Ordinary Shares on the Record Date, with the balance of such Naspers N Shareholders' entitlements under the Capitalisation Issue being issued in the form of Naspers M Ordinary Shares (and ultimately, N Ordinary Shares). The results of these Elections will be announced in a press release published and placed on the Company's website (www.prosus.com) and on SENS.

- (ii) Naspers is, in turn, controlled by the Naspers voting control structure, comprising Nasbel and Keerom through their majority holding of the Naspers A Ordinary Shares. As at the date of this Prospectus, Nasbel and Keerom respectively hold 49.15% and 30.80% of the Naspers A Ordinary Shares, which represents approximately 33.13% and 20.76% of the voting rights of the Naspers A Ordinary Shares and Naspers N Ordinary Shares (together, the **Naspers Shares**). Nasbel and Keerom exercise their voting rights in Naspers in consultation with one another in terms of the Voting Pool Agreement (as defined below). Each of Naspers, Nasbel and Keerom, in relation to their (in)direct share capital interest in the Company, may make a filing with the AFM in accordance with the Dutch FMSA.

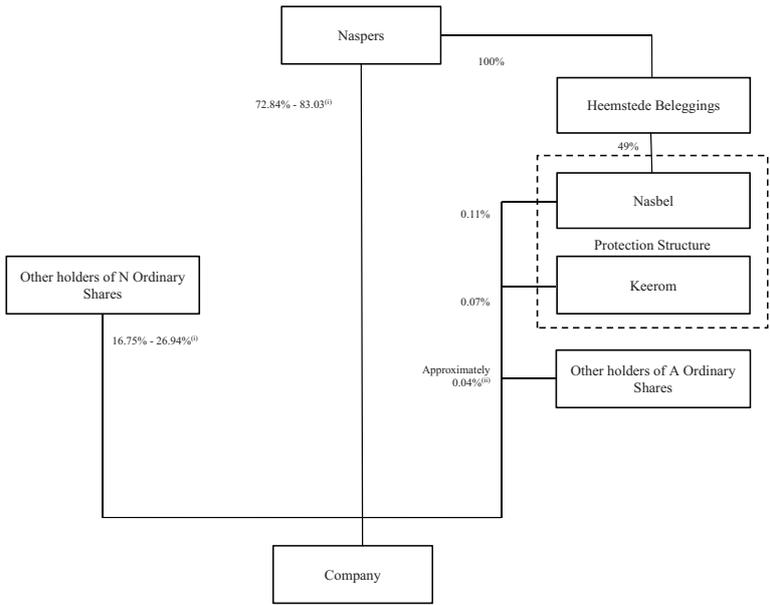
A Ordinary Shares

Shareholder	A Ordinary Shares ⁽ⁱ⁾	Percentage of A Ordinary Shares	Total Voting Percentage on the Capital Restructure Date ^(vi)	Total Voting Percentage of A Ordinary Shares if the Protection Structure is activated ^(vii)
Nasbel ⁽ⁱⁱ⁾ ^(iv)	1,726,016	49.15	0.11	33.60
Keerom ⁽ⁱⁱⁱ⁾ ^(iv)	1,081,689	30.80	0.07	21.06
Wheatfields ^(v)	657,610	18.73	0.04	12.80
Total^(vi)	3,465,315	98.68	0.22	67.46

- (i) Assuming no Naspers N Shareholders Elect to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. In order to ensure that the effective voting percentage of shareholders in the Company are the same as shareholders of Naspers on the Capital Restructure Date, the number of issued A Ordinary Shares on the Capital Restructure Date will be between 3,511,813 and 3,511,830 depending on the Elections made by Naspers N Shareholders to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. 3,511,820 A Ordinary Shares will be issued on the Capital Restructure Date in the event that no Naspers N Shareholders Elect to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. The results of these Elections and the number of issued A Ordinary Shares on the Capital Restructure Date will be announced in a press release published and placed on the Company's website (www.prosus.com) and on SENS.
- (ii) As at the date of this Prospectus, Nasbel has 2,603 shareholders, one of which is Heemstede Beleggings Proprietary Limited (**Heemstede Beleggings**), a wholly owned subsidiary of Naspers, that holds 49% of the shares in Nasbel.
- (iii) As at the date of this Prospectus, Keerom has 2,832 shareholders. Keerom's constitutional documents provide that no shareholder is entitled to exercise more than 50 votes in Keerom regardless of its shareholding.
- (iv) Nasbel and Keerom constitute the Protection Structure, through their majority holding of the A Ordinary Shares.
- (v) Wheatfields, along with the other holders of A Ordinary Shares (other than Nasbel and Keerom), does not form part of the Naspers Voting Control Structure or the Protection Structure and neither Naspers nor the Company has any interest in the share capital or voting rights of Wheatfields.
- (vi) It is expected that on the Capital Restructure Date, the A Ordinary Shares will be held by 50 shareholders (including Nasbel, Keerom and Wheatfields).
- (vii) 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 A1 Ordinary Shares carrying one vote per share, converting to A2 Ordinary Shares carrying 1,000 votes per share. See "*—Protection Structure—Company Protection Structure*".

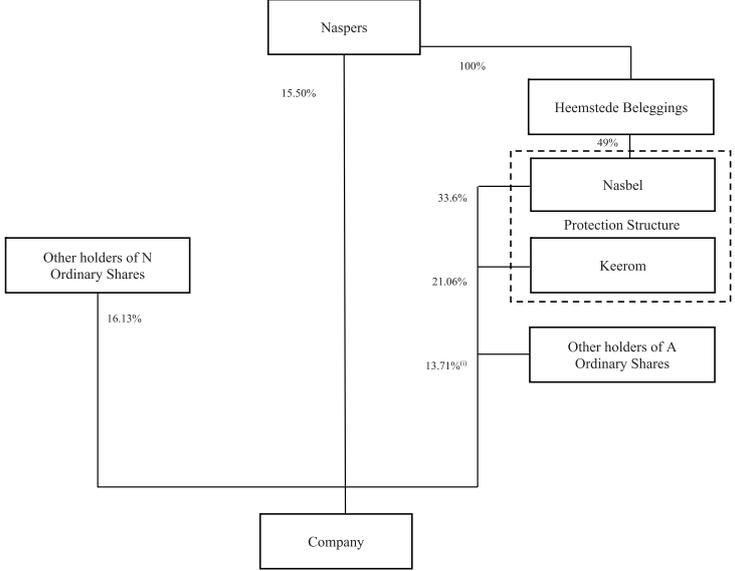
For further information on the disclosure obligations under the Dutch FMSA, see "*Description of Share Capital and Corporate Structure—Obligations to Disclose Holdings*".

The diagram below depicts, in simplified form, the expected total voting percentage in the share capital of the Company held by shareholders of the Company as at the Capital Restructure Date:



- (i) As discussed above, depending on the Elections of Naspers N Shareholders to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue, the total voting percentage in the share capital of the Company held by Naspers will be between 83.03% – 72.84%. The results of these Elections will be announced in a press release published and placed on the Company’s website (www.prosus.com) and on SENS.
- (ii) Including Wheatfields, exercising 0.04% of the total voting percentage in the share capital of the Company.

If the Protection Structure is activated when 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 A2 Ordinary Shares will carry 68.37% of the voting rights in the Company and the N Ordinary shares will carry 31.63% of the voting rights in the Company. The diagram below depicts, in simplified form, the expected total voting percentage in the share capital of the Company held by shareholders of the Company in the event that Protection Structure is activated on the basis that Naspers 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:



- (i) Including Wheatfields, which is expected to exercise 12.80% of the total voting percentage in the share capital of the Company.

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. Certain of the Company's major shareholders will hold A1 Ordinary Shares carrying one vote per share on the Capital Restructure Date. If Naspers makes, or is obliged to make, a filing with the AFM that it ceases to be entitled to exercise at least 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting, the A1 Ordinary Shares automatically convert to A2 Ordinary Shares carrying 1,000 votes per share.

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 Naspers A Ordinary Shares. Further information on the voting control structure of Naspers and the Protection Structure of the Company is set out below.

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. See, for example, "*Description of Share Capital and Corporate Structure—Related Party Transactions*". 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.

Protection Structure

On Settlement, Naspers will hold between 73.00% and 83.00% of the N Ordinary Shares, which will represent between 72.84% and 83.03% of the voting rights in respect of the Shares (depending on the Elections made by Naspers N Shareholders in the Naspers N Share Capitalisation Issue). As a result, Naspers will have significant control over the Company's management and affairs and will be able to control all matters requiring shareholder approval, including the election or removal of directors and approval of any significant corporate transaction, such as a merger or other sale of the Company or its assets. Naspers itself is controlled through a voting control structure. On Settlement, the Protection Structure will be implemented. The Protection Structure will, however, not be activated on the Capital Restructure Date.

In addition, as a condition to FinSurv's approval of the Transaction, Naspers must retain control over the Company.

Naspers Voting Control Structure

Nasbel and Keerom constitute the voting control structure of Naspers, through their majority holding of the Naspers A Ordinary Shares. This voting control structure was introduced in 1995. As at the date of this Prospectus, Naspers's share capital comprises Naspers A Ordinary Shares and Naspers N Ordinary Shares:

- the Naspers A Ordinary Shares are not, and will not as part of the Transaction be, admitted to listing and trading on any stock exchange and carry 1,000 votes per share; and
- the Naspers N Ordinary Shares are admitted to listing and trading on the Main Board of the JSE, as a primary listing, and A2X, as a secondary listing, and carry one vote per share.

Prior to the Capital Restructure Date, Naspers's share capital will also comprise Naspers M Ordinary Shares. The Naspers M Ordinary Shares will be issued and automatically contributed to the Company in order to facilitate the Capitalisation Issue and will not be held by Naspers N Shareholders post implementation of the Capitalisation Issue. As part of the Capital Restructure, the Company will distribute its entitlement to Naspers M Ordinary Shares received from Naspers N Shareholders under the Capitalisation Issue to Naspers as a distribution in kind following the Capitalisation Issue. By operation of law, the Naspers M Ordinary Shares will at that time cease to be issued shares on such distribution.

As at the date of this Prospectus:

- Nasbel holds 49.15% of the Naspers A Ordinary Shares, which represents approximately 33.13% of the voting rights of the Naspers Shares. As at the date of this Prospectus, Nasbel has 2,603 shareholders, one of which is Heemstede Beleggings, a wholly owned subsidiary of Naspers, that holds 49% of the shares in Nasbel; and

- Keerom holds 30.80% of the Naspers A Ordinary Shares, which represents 20.76% of the voting rights of the Naspers Shares. As at the date of this Prospectus, Keerom has 2,832 shareholders. Keerom's constitutional documents provide that no shareholder is entitled to exercise more than 50 votes in Keerom regardless of its shareholding.

The Naspers voting control structure is further entrenched in:

- the memoranda of incorporation of Naspers, Nasbel and Keerom. The Naspers Memorandum of Incorporation provides that the Naspers Board cannot issue shares of whatever class in a manner which affects the existing voting relationship between the holders of Naspers A Ordinary Shares and Naspers N Ordinary Shares by more than 10% on an aggregate basis without: (i) an equal issue of Naspers A Ordinary Shares by way of a capitalisation issue; or (ii) the prior consent of at least 90% of the holders of the Naspers A Ordinary Shares either in writing or at a separate class meeting. The Naspers Board may, in its sole discretion, impose that in order to become or remain a director of Naspers, a person must be and remain independent from any competitor of Naspers, and in particular, any media company; and
- a voting pool agreement (the **Voting Pool Agreement**) and a pre-emptive rights agreement (the **Pre-emptive Rights Agreement**) entered into between Nasbel and Keerom. Nasbel and Keerom exercise their voting rights in Naspers in consultation with one another in terms of the Voting Pool Agreement. If they vote together, then they can vote the majority of the voting rights in Naspers, including in respect of any takeover offer. Under the Voting Pool Agreement, if Nasbel and Keerom cannot agree on how to vote, then they can vote as they wish, but they are required to vote: (i) against resolutions that are material to the Naspers Group and its businesses, including resolutions that would materially change the control, directorate or senior management of Naspers or the nature, scope or size of Naspers's businesses; and (ii) in favour of all resolutions proposed at general meetings of Naspers, which are proposed by the Naspers Board and are required to be passed by the Naspers shareholders and affect the conduct of the Naspers Group's business, including special resolutions not covered by (i) and resolutions that affect Naspers's share capital and are required to be passed pursuant to the South African Companies Act, the JSE Listings Requirements and/or the rules of the South African Takeover Regulation Panel. In terms of the Pre-emptive Rights Agreement, each party has reciprocal pre-emptive rights as well as the right to acquire the Naspers A Ordinary Shares held by the other if there is a change of control in one of them.

Some of the members of the Naspers Board are members of the boards of directors of Nasbel and Keerom, but do not represent the majority of members of those boards of directors. Each of the boards of directors of Nasbel and Keerom operates independently from each other. Each director of Nasbel and Keerom has a fiduciary duty to act in the interests of Nasbel and Keerom, as applicable, in accordance with the applicable South African laws and regulations as well as to act in accordance with the memoranda of incorporation of Nasbel and Keerom, as applicable.

Company Protection Structure

On, and with effect from, the Capital Restructure Date, Nasbel and Keerom will constitute the Protection Structure, through their majority holding of the A Ordinary Shares. As at the Capital Restructure Date, the Company's share capital will comprise A Ordinary Shares and N Ordinary Shares:

- the A Ordinary Shares: (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, 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 A1 Ordinary Shares, carrying one vote per share, converting to A2 Ordinary Shares, carrying 1,000 votes per share; and
- the N Ordinary Shares will be admitted to listing and trading on Euronext Amsterdam, and, as a secondary listing, on the Main Board of the JSE, and carry one vote per share.

While Naspers holds 50% plus one vote or more of the voting interests in the N Ordinary Shares, it will control all matters requiring approval of the Company's shareholders. If Naspers makes, or is obliged to make, a filing with the AFM that it ceases to be entitled to exercise at least 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting, the A1 Ordinary Shares, carrying one vote per share, converting to A2 Ordinary Shares, carrying 1,000 votes per share, which will have the effect that Nasbel and Keerom, as holders of the majority of the A Ordinary Shares, will control all matters requiring approval of the Company's shareholders. On Settlement:

- the number of N Ordinary Shares that Naspers will hold on the Capital Restructure Date will depend on the Elections made by Naspers N Shareholders to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. Naspers will thus hold between 73.00% and 83.00% of the N Ordinary Shares, which will represent between 72.84% and 83.03% of the voting rights in respect of the Shares. The results of these Elections will be announced in a press release published and placed on the Company's website (www.prosus.com) and on SENS;
- Nasbel will hold 49.15% of the A Ordinary Shares, which will represent 0.11% of the voting rights of the Shares, and, 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, approximately 33.60% of the voting rights of the Shares; and
- Keerom will hold 30.80% of the A Ordinary Shares, which will represent 0.07% of the voting rights of the Shares, and, 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, approximately 21.06% of the voting rights of the Shares.

If the Protection Structure is activated when 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: (i) the A2 Ordinary Shares will carry 68.37% of the voting rights in the Company and the N Ordinary Shares will carry 31.63% of the voting rights in the Company; and (ii) the A2 Ordinary Shares held by Nasbel and Keerom will represent 54.66% of the voting rights in respect of the Shares.

The Company's Protection Structure is further entrenched in:

- the memoranda of incorporation of Nasbel and Keerom and the Articles of Association. The Articles of Association provide that: (i) 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 N Ordinary Shares, in a way which would affect the voting ratio between the A Ordinary Shares and the N Ordinary Shares as it existed immediately following the last issuance of A Ordinary Shares (the **Reference Date**) by more than 10% without: (a) a simultaneous issuance of A Ordinary Shares to existing holders of A Ordinary Shares (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 A Ordinary Shares and the N Ordinary Shares as it existed on the Reference Date, at which occasion the nominal payment obligation on the A Ordinary Shares and the amount to be added to the conversion reserve if it concerns A1 Ordinary Shares, will be charged against the freely distributable reserves of the Company; or (b) the prior approval of the meeting of holders of A Ordinary Shares, granted by resolution adopted with at least 90% of the votes; and (ii) 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 A Ordinary Shares, without the prior approval of the meeting of holders of A Ordinary Shares, adopted with at least 90% of the votes; and
- in agreements between Nasbel and Keerom, namely the Voting Pool Agreement and the Pre-emptive Rights Agreement. Nasbel and Keerom can exercise their voting rights in the Company in consultation with one another in terms of the Voting Pool Agreement. Under the Voting Pool Agreement, if Nasbel and Keerom cannot agree on how to vote, then they can vote as they wish, but they are required to vote against: (i) resolutions that are material to the Group and its businesses, including resolutions that would materially change the control, directorate or senior management of the Group or the nature, scope or size of the Group's businesses; and (ii) in favour of all resolutions proposed at General Meetings, which are proposed by the Board and are required to be passed by the Company's shareholders and affect the conduct of the Group's business, including resolutions not covered by (i) and resolutions which affect the Company's share capital and are required to be passed pursuant to

the Dutch Civil Code. In terms of the Pre-emptive Rights Agreement, each party has reciprocal pre-emptive rights as well as the right to acquire the A Ordinary Shares held by the other if there is a change of control in one of them.

As such, while Naspers holds 50% plus one vote or more of the voting interests in the N Ordinary Shares, it will continue to control matters requiring approval by the Company's shareholders. If Naspers's voting interest in the Shares drops below 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting, Nasbel and Keerom will directly control matters requiring approval by the Company's shareholders.

A third party will also not be able to acquire, or attempt to acquire, control over the Company without obtaining control of the Company's Protection Structure.

Some of the Directors are members of the boards of directors of Nasbel and Keerom, but do not represent the majority of members of those boards of directors. Each of the boards of directors of Nasbel and Keerom operates independently from the other. In addition, on the date of this Prospectus, the constitution of the Board is the same as the Naspers Board. See "*Management, Employees and Corporate Governance—Directors*".

Each director of Keerom, Nasbel and Naspers has a fiduciary duty to act in the interests of Keerom, Nasbel and Naspers, respectively, in accordance with the applicable South African laws and regulations as well as to act in accordance with the memoranda of incorporation of Keerom, Nasbel and Naspers, respectively.

Related Party Transactions

In the course of its ordinary business activities, members of the Group regularly enter into agreements with other companies within the 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 Group 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. See "*Description of Share Capital and Corporate Structure—Related Party Transactions*".

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 15 of the Annual Combined Carve-out Financial Statements (*Related Party Transactions and Balances*). Certain of these transactions are described below and do not include those that are eliminated on consolidation or profits and losses eliminated through the application of the equity method.

Senior Management Remuneration

Management compensation must be disclosed as a related party transaction under IFRS. Accordingly, this has been disclosed as a related party transaction in note 15 of the Annual Combined Carve-out Financial Statements (*Related Party Transactions and Balances*). In addition, information on remuneration for Senior Management can be found in the section "*Management, Employees and Corporate Governance—Remuneration Information for the Senior Management other than the Executive Directors*".

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, the Group has not entered into related party transactions during FY 2019, FY 2018 and FY 2017 and up to the date of this Prospectus.

DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

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 relevant provisions of Dutch and South African law in effect on the date of this Prospectus and the Articles of Association. 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 and the relevant provision Dutch law and South African law. The full text of the Articles of Association (in Dutch, and an unofficial English translation) will be available free of charge on the Company's website (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. See also "*Management, Employees and Corporate Governance*" for a summary of the material provisions of the Articles of Association, the Board Charter and Dutch law relating to the Board.

Corporate Purpose

Pursuant to Article 3 of the Articles of Association, the objects of the Company are:

- to be the holding company of a global internet and technology group, which operates across a variety of platforms and geographies;
- to incorporate or otherwise establish, participate in, manage, supervise and finance its businesses and the businesses of its subsidiaries, its subsidiaries and its investments and affiliates;
- to borrow and raise funds, including through the issue of bonds, promissory notes or other securities or evidence of indebtedness, as well as enter into agreements in connection with aforementioned activities;
- to render advice and services to businesses and companies with which the Company forms a group or which the Company directly or indirectly participates in, or other businesses and companies;
- to lend funds to, provide security, grant guarantees or other financial comfort for the benefit of businesses and companies with which it forms a group or in which the Company directly or indirectly participates or may participate;
- to acquire, dispose of, manage, exploit and alienate registered property and items of property in general;
- to trade in currencies, securities and other items of value;
- to develop and exploit patents, trademarks, licences, know-how, trade secrets, copyrights, data base rights and any other intellectual property rights or confidential information;
- to perform any and all activities of a financial, investment or other commercial nature;
- to establish and operate, directly or indirectly, equity-based compensation plans for employees or other persons providing services to or for the benefit of the Company or one of its businesses;

and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

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:

- 10,000,000 are A1 ordinary shares in the capital of the Company with a nominal value of €0.05 each (the **A1 Ordinary Shares**);
- 10,000 are A2 ordinary shares in the capital of the Company with a nominal value of €50 each (the **A2 Ordinary Shares**, and together with the A1 Ordinary Shares, the **A Ordinary Shares**); and
- 5,000,000,000 are N Ordinary Shares with a nominal value of € 0.05 each.

The Articles of Association contain a transitional clause that ensures that the authorised capital of the Company changes automatically when a conversion of A Ordinary Shares 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 A2 Ordinary Shares will be 10,000,000 A2 Ordinary Shares. If Naspers makes, or is obliged to make, a filing with the AFM that it holds at least 50% plus one of vote out of the total number of voting rights that may be exercised at a General Meeting, the number of authorised A2 Ordinary Shares will be 10,000 A2 Ordinary Shares. See “—*Conversion of A Ordinary Shares*”.

The Shares have been created under, and are subject to, Dutch law.

On the Capital Restructure Date, all of the issued A Ordinary Shares and N Ordinary Shares will be fully paid up.

On the Capital Restructure Date, there will be no convertible securities (other than the A Ordinary Shares), 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.

On the Capital Restructure Date, no A Ordinary Shares and N Ordinary Shares will be held by the Company or its subsidiaries. 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 A Ordinary Shares and the N Ordinary Shares, 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 Company ADS are not “*depository receipts*” for the N Ordinary Shares issued with the Company’s cooperation as contemplated in the Dutch Civil Code. As such, Company ADS holders will not be entitled to the rights that would have been afforded to “*depository receipts*” for the N Ordinary Shares under the Dutch Civil Code. The rights of Company ADS holders will be governed by the deposit agreement, which will be governed by the laws of the State of New York. See “*Company ADS Facility*”.

History of Share Capital

During FY 2019, FY 2018 and FY 2017, and up to the Capital Restructure Date, the following changes have occurred or are expected to occur in the Company’s share capital:

	31 March 2017	31 March 2018	31 March 2019	On 16 May 2019, pursuant to a notarial deed of amendment of the Articles of Association	With effect from the Capital Restructure Date
Authorised Share Capital					
Ordinary shares ⁽ⁱ⁾	—	—	—	—	—
A Ordinary Shares	—	—	—	10,010,000 ⁽ⁱⁱ⁾	10,010,000 ⁽ⁱⁱ⁾
N Ordinary Shares	—	—	—	5,000,000,000	5,000,000,000
Total	—	—	—	5,010,010,000	5,010,010,000

(i) Each with a nominal value of US\$100. All of the issued shares in the Company were held by Naspers. As a Company incorporated as a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands, the Company was not required to have, and did not have, an authorised share capital.

(ii) The A Ordinary Shares comprise 10,000,000 A1 Ordinary Shares with a nominal value of €0.05 each and one vote per share and 10,000 A2 Ordinary Shares with a nominal value of €50 each and 1,000 votes per share. The A1 Ordinary Shares automatically convert to A2 Ordinary Shares upon Naspers making, or being obliged to make, a filing with the AFM that it ceases to be entitled to exercise at least 50% plus one vote out of the total number of voting rights that may be exercised at a General Meeting, and the A2 Ordinary Shares convert, subject to applicable Dutch laws and regulations, to A1 Ordinary Shares upon Naspers making, or being obliged to make, a filing with the AFM that it holds at least 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting.

	31 March 2017	31 March 2018	31 March 2019	On 16 May 2019, pursuant to a notarial deed of amendment of the Articles of Association	On 13 June 2019, pursuant to a notarial deed of issuance	With effect from the Capital Restructure Date
Issued Share Capital						
Ordinary shares.....	1,717,777 ⁽ⁱ⁾	1,717,777 ⁽ⁱ⁾	1,717,777 ⁽ⁱ⁾	—	—	—
A Ordinary Shares.....	—	—	—	—	2,452,605	3,511,820 ⁽ⁱⁱ⁾
N Ordinary Shares.....	—	—	—	1,100,000,000	1,185,996,011	1,624,652,070 ^{(iii) (iv)}
Total.....	1,717,777	1,717,777	1,717,777	1,100,00,000	1,188,448,646	1,628,163,890

(i) Each with a nominal value of US\$100.

(ii) The number of issued A Ordinary Shares on the Capital Restructure Date will be between 3,511,813 and 3,511,830 depending on the Elections made by Naspers N Shareholders to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. 3,511,820 A Ordinary Shares will be issued on the Capital Restructure Date in the event that no Naspers N Shareholders Elect to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. The results of these Elections will be announced in a press release published and placed on the Company's website (www.prosus.com) and on SENS.

(iii) The number of issued N Ordinary Shares on the Capital Restructure Date will be between 1,624,650,737 and 1,624,652,070 depending on the Elections made by Naspers N Shareholders to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. 1,624,652,070 N Ordinary Shares will be issued on the Capital Restructure Date in the event that no Naspers N Shareholders Elect to be issued Naspers N Ordinary Shares in the Naspers N Share Capitalisation Issue. The results of these Elections will be announced in a press release published and placed on the Company's website (www.prosus.com) and on SENS.

(iv) It is expected that on the Settlement Date, 46,777,900 Company ADSs (representing 9,355,580 N Ordinary Shares) will be deposited with the Bank of New York Mellon, as depository.

Other than as set out above, there has been no alteration to the Company's share capital and no shares or securities have been issued or repurchased by the Company within the three years preceding the date of this Prospectus.

Conversion of A Ordinary Shares

Under the Articles of Association, each A1 Ordinary Share is convertible into an A2 Ordinary Share, subject to the below. The conversion of A1 Ordinary Shares into A2 Ordinary Shares 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 A2 Ordinary Share is convertible into an A1 Ordinary Share, subject to the below provisions. The conversion of A2 Ordinary Shares into A1 Ordinary Shares 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 A2 Ordinary Shares into A1 Ordinary Shares 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 A1 Ordinary Shares into A2 Ordinary Shares.

The difference in nominal value arising as a result of a conversion of each A1 Ordinary Share into an A2 Ordinary Share or as a result of a conversion of each A2 Ordinary Share into an A1 Ordinary Share will be debited or credited, as the case may be, to a special reserve for the conversion of A Ordinary Shares.

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 A Ordinary Shares takes effect. See "*—Share Capital*".

Issuance of Shares

In contemplation of the Capital Restructure, on 14 August 2019, the General Meeting resolved to issue to: (i) MIH Holdings 2.70370 N Ordinary Shares for every Naspers N Ordinary Share issued to Naspers N Shareholders pursuant to the Naspers N Shares Capitalisation Issue and up to 1,059,225 A Ordinary Shares, and (ii) holders of Naspers M Ordinary Shares up to 438,656,059 N Ordinary Shares.

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 N Ordinary Shares trading on the JSE, N Ordinary Shares will be delivered in the form of security entitlements representing the beneficial ownership of the N Ordinary Shares. These N Ordinary Shares 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.

The Company's Shareholders' Register

Pursuant to Dutch law and the Articles of Association, the Company must keep a register of shareholders. A copy of the Company's shareholders' register will be kept at the offices of the Company in the Netherlands and, where required by South African law, at the offices of a branch of the Company or a group company of the Company in South Africa. The Company must keep a register of shareholders in which the names and addresses of all shareholders are recorded. In the register of shareholders, the names and addresses of all other persons holding meeting rights (being the right to be invited to and attend General Meetings and to speak at such meetings and the other rights the Dutch Civil Code grants to persons holding depository receipts for shares issued with the cooperation of the Company, as a shareholder or as a person to whom these rights have been attributed in accordance with the Articles of Association) must also be recorded, as well as the names and addresses of all holders of a right of pledge or usufruct in respect of Shares not holding meeting rights. The shareholders' register also contains the names and addresses of usufructuaries (*vruchtgebruikers*) or pledgees (*pandhouders*) of Shares, stating whether they hold the rights attached to such Shares pursuant to Section 2:88 paragraphs 2, 3 and 4, as it relates to usufructuaries (*vruchtgebruikers*), and Section 2:89 paragraphs 2, 3 and 4, as it relates to pledgees (*pandhouders*), of the Dutch Civil Code and, if so, which rights have been conferred upon them. With regard to pledgees, the Company will deviate from the Dutch Civil Code such that the Company's register of shareholders shall state that neither the voting right attached to the Shares, nor the rights attached under Dutch law to "depository receipts" for Shares issued with the Company's cooperation (as contemplated in the Dutch Civil Code), have been conferred upon them. The register shall also state, with regard to each shareholder, pledgee or usufructuary, the date on which they acquired the Shares, their right of pledge or usufruct as well as the date of acknowledgement or service.

If requested, the Board will provide a holder of Shares, usufructuary or pledgee of such Shares with an extract from the register relating to its title to a Share free of charge. If the Shares are encumbered with a right of usufruct, the extract will state to whom such rights will fall. The shareholders' register is kept by the Board.

If N Ordinary Shares, as contemplated in the Dutch Securities Transactions Act, belong to: (i) a collective deposit as referred to in the Dutch Securities Transactions Act, of which N Ordinary Shares form part, kept by an intermediary, as referred to in the Dutch Securities Transactions Act; or (ii) a giro deposit as referred to in the Dutch Securities Transactions Act of which N Ordinary Shares form part, as being kept by a central institute as referred to in the Dutch Securities Transactions Act, the name and address of the intermediary or the central institute shall be entered in the shareholders' register, stating the date on which those N Ordinary Shares became part of a collective deposit or the giro deposit, the date of acknowledgement by or giving of notice to, as well as the paid-up amount on each N Ordinary Share.

In addition, in relation to N Ordinary Shares trading on the JSE, as part of the Strate System, Strate will maintain a record of N Ordinary Shares held in a central securities account and trading on the JSE. This record does not form part of the Company's shareholders' register.

A person who is entitled to, and wishes to, inspect the register of dematerialised Shares may do so only through the Company and in accordance with Dutch law and the rules of the Strate System.

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 do 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.

Pursuant to a resolution of the General Meeting adopted prior to the date of this Prospectus, the Board has been granted an authority for a period of 18 months following the Settlement Date, to resolve to issue Shares (either in the form of a stock dividend or otherwise) and/or grant rights to acquire up to a maximum of 5% of the issued Shares on the Settlement Date (after delivery of the Shares under the Capital Restructure) in aggregate per annum for general purposes, plus 5% of the issued Shares in aggregate per annum if the issuance or granting of rights occurs within the context of a merger or acquisition, with the power to the Board to decide which class of Shares is issued.

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 N Ordinary Shares, in a way which would affect the voting ratio between the A Ordinary Shares and the N Ordinary Shares as it existed immediately following the Reference Date by more than 10%, without:

- a simultaneous issuance of A Ordinary Shares to existing holders of A Ordinary Shares (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 A Ordinary Shares and the N Ordinary Shares as it existed on the Reference Date, at which occasion the nominal payment obligation on the A Ordinary Shares and the amount to be added to the conversion reserve if it concerns A1 Ordinary Shares, will be charged against the freely distributable reserves of the Company; or
- the prior approval of the meeting of holders of A Ordinary Shares, 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 A Ordinary Shares, without the prior approval of the meeting of holders of A Ordinary Shares, adopted with at least 90% of the votes. See “*Shareholder Structure and Related Party Transactions—Protection Structure—Company Protection Structure*”.

Pre-emptive Rights

Upon the issue of N Ordinary Shares, each holder of N Ordinary Shares shall have a pre-emptive right in respect of the N Ordinary Shares to be issued, in proportion to the number of N Ordinary Shares already held by it. Exceptions to these pre-emptive rights include: (i) the issue of N Ordinary Shares against a contribution in kind; (ii) the issue of N Ordinary Shares 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 N Ordinary Shares to persons exercising a previously granted right to subscribe for N Ordinary Shares. These pre-emptive rights and such non-applicability of pre-emptive rights also apply in case of the granting of rights to subscribe for N Ordinary Shares.

Holders of N Ordinary Shares do not have a pre-emptive right in respect of any A Ordinary Shares to be issued. Similarly, holders of A Ordinary Shares do not have a pre-emptive right in respect of any N Ordinary Shares to be issued.

Pursuant to a resolution of the General Meeting adopted prior to the date of this Prospectus, the Board has been granted an authority for a period of 18 months following the Settlement Date to resolve to restrict or exclude the pre-emptive rights of shareholders in relation to the issue of, or grant of rights to subscribe for, Shares for which it was authorised by the General Meeting to resolve upon as described above.

Acquisition of Own Shares

Subject to certain statutory conditions having been met, the Board will be authorised to acquire fully paid-up 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.

Pursuant to a resolution of the General Meeting adopted prior to the date of this Prospectus, the Board has been granted an authority, for a period of 18 months following the Settlement Date, to cause the Company to acquire its own Shares (including Shares issued as stock dividend) up to a maximum of 20% of the total number of Shares issued following the Settlement Date, provided the Company will hold no more Shares in stock than 50% of its issued share capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Shares and not higher than the opening price of the N Ordinary Shares on Euronext Amsterdam on the day of the repurchase plus 10%. Certain aspects of the acquisition by the Company of its N Ordinary Shares are described in "*Taxation—Taxation in the Netherlands—Dividend Withholding Tax*".

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 Section 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 depositary 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 A2 Ordinary Share is convertible into an A1 Ordinary Share with a lower nominal value, subject to the below provisions. The conversion of A2 Ordinary Shares into A1 Ordinary Shares 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 A2 Ordinary Shares into A1 Ordinary Shares 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 A1 Ordinary Shares into A2 Ordinary Shares.

The difference in nominal value arising as a result of a conversion of each A2 Ordinary Share into an A1 Ordinary Share will be credited to a special reserve for the conversion of A Ordinary Shares.

The Articles of Association contain a transitional clause that ensures that the authorised capital of the Company changes automatically when a conversion of A Ordinary Shares 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 N Ordinary Shares

Transfer of N Ordinary Shares on Euronext Amsterdam and the JSE

A transfer of an N Ordinary Share (not being, for the avoidance of doubt, an N Ordinary Share 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 N Ordinary Share is transferred for inclusion in a collective deposit, the transfer will be accepted by the intermediary concerned. If a registered N Ordinary Share 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 N Ordinary Share to Euroclear Nederland, the Strate System or to an intermediary, the transfer and acceptance in order to include the N Ordinary Share 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 the giro deposit, respectively. Deposit shareholders are not recorded in the shareholders’ register of the Company.

N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares between Euronext Amsterdam and the JSE

N Ordinary Shares 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 N Ordinary Shares are credited to transfer such N Ordinary Shares to a securities account with an institution admitted to the Strate System (when transferring N Ordinary Shares from Euronext Amsterdam to the JSE) or Euroclear Nederland (when transferring N Ordinary Shares from the JSE to Euronext Amsterdam). The transfer of those N Ordinary Shares may take up to two trading days. During that period, those N Ordinary Shares cannot be traded on either Euronext Amsterdam or the JSE.

Any transfers by South African exchange control resident shareholders of N Ordinary Shares from the JSE to Euronext Amsterdam are subject to South African exchange control. See “—*Exchange Controls—South Africa*”.

See “*Taxation—Taxation in South Africa—Cross-border Transfer of N Ordinary Shares between Euronext Amsterdam and the JSE*” and “*Taxation—Taxation in South Africa—Cross-border Transfer of N Ordinary Shares between Euronext Amsterdam and the JSE*” for a discussion on certain tax aspects of the transfer of N Ordinary Shares 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 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 be made not in cash but in Shares, or decide that shareholders shall have the option to receive a distribution as a cash payment and/or as a payment in Shares, provided that the Board is authorised by the General Meeting to resolve to issue Shares and exclude pre-emptive rights.

Profit Ranking of the A Ordinary Shares and the N Ordinary Shares

Each A Ordinary Share and each N Ordinary Share 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 A Ordinary Shares and the N Ordinary Shares, respectively. Each holder of an A Ordinary Share shall be entitled to one-fifth of the distribution rights to which a holder of an N Ordinary Share is entitled, multiplied by the percentage of N Ordinary Shares not held by Naspers. The profit ranking of the A Ordinary Shares and the N Ordinary Shares will not change if the Protection Structure is activated.

Payment

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

Any dividends on N Ordinary Shares 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 N Ordinary Shares. Payment of dividends on the N Ordinary Shares not held through Euroclear Nederland or the Strate System and the A Ordinary Shares 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 N Ordinary Shares who are non-residents of the Netherlands. See "*—Exchange Controls—South Africa*" for a discussion of the South African exchange controls, "*Taxation—Taxation in South Africa—South African Dividend Tax*" and "*Taxation—Taxation in the Netherlands—Dividend Withholding Tax*" 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.

Exchange Controls

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, 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 vote 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 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 the 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 N Ordinary Shares on the Main Board of the JSE, and classified the A Ordinary Shares and the inward listed N Ordinary Shares as “*domestic*” for exchange control purposes. In terms of FinSurv’s approval, JSE Investors must hold/trade N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares 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, N Ordinary Shares 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 N Ordinary Shares listed on the JSE and the trade in N Ordinary Shares 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 N Ordinary Shares 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 its broker to accept, buy and sell N Ordinary Shares listed on the JSE on its behalf as it would with any other listed security on the JSE. Such N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares offshore and to transfer the N Ordinary Shares 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 thirty days only.

South African Corporate Entities, Banks, Trusts and Partnerships

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

Non-residents of the Common Monetary Area

Non-residents of the common monetary area may acquire N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares.

Share certificates issued in respect of N Ordinary Shares listed and trading on the JSE purchased by non-residents will be endorsed “non-resident” in accordance with the ExCon Rules. Holders of uncertificated N Ordinary Shares listed and trading on the JSE will have their statements endorsed “non-resident” and their accounts at their central securities depository participant (CSDP) or broker annotated accordingly.

Provided that the relevant share certificate is endorsed “non-resident” or the relevant account of the shareholder’s 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 N Ordinary Shares. Payment to non-resident shareholders of other dividends and distributions (including special dividends, distributions in kind and capitalisation issues) require the consent of FinSurv.

Cash dividends and any proceeds from the sale of N Ordinary Shares 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 Rand or paid for the credit of a non-resident Rand account.

Non-residents may sell N Ordinary Shares 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 N Ordinary Shares listed and trading on the JSE. The N Ordinary Shares listed

and trading on the JSE will be credited to their remaining share accounts at the CSDP controlling their remaining portfolios. The N Ordinary Shares listed and trading on the JSE issued in certificated form, will be endorsed “Non-Resident” and will be sent to the Authorised Dealer through whom the payment was made. The sale proceeds derived from the sale of the N Ordinary Shares 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 N Ordinary Shares between Euronext Amsterdam and the JSE

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

Member brokers of the JSE may acquire N Ordinary Shares 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 N Ordinary Shares between Euronext Amsterdam and the JSE.

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 annual General Meeting 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 annual General Meeting 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 N Ordinary Share carries one vote per Share. The A Ordinary Shares 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 A1 Ordinary Shares, carrying one vote per share, converting to A2 Ordinary Shares, 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 A Ordinary Shares or the N Ordinary Shares 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 A Ordinary Shares or N Ordinary Shares 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 A Ordinary Shares in proportion to the nominal value of each shareholder's holding in A Ordinary Shares, but only to the extent there is a special reserve for the conversion of A Ordinary Shares at that time. Any remaining balance shall be transferred to the holders of

A Ordinary Shares and N Ordinary Shares in proportion to the nominal value of each shareholder's holding in A Ordinary Shares and/or N Ordinary Shares, as the case may be, provided that each holder of an A Ordinary Share shall be entitled to one-fifth of the amount of the distribution to which a holder of an N Ordinary Share is entitled, multiplied by the percentage of N Ordinary Shares not held by Naspers. The ranking of the A Ordinary Shares and the N Ordinary Shares 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 statement, the management 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 annual General Meeting. 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

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 after Settlement, 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 others, 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

In addition, no person may launch a public offer in South Africa to acquire the shares of a company (irrespective of where it is incorporated), such as the Shares, unless an offer document has been approved by CIPC. Such a public offer may only be launched by way of publication of an approved offer document. The South African public offer rules are intended to ensure that in the event of a public offer, among others, 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.

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 shareholders. 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 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 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%.³⁴ Pursuant to the secondary listing of the N Ordinary Shares 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 changes 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 its share capital or voting rights changed 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 differently composed due to having acquired shares or voting rights through the exercise of a right to acquire such shares or voting rights, must notify the AFM of the changes within four trading days after the date on which the holder knows or should have known that his or her interest reaches or crosses a relevant threshold.

Controlled entities, within the meaning of the Dutch FMSA, do not have notification obligations under the Dutch FMSA, 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%,³⁵ must immediately give written notice to the AFM. If a person's

³⁴ The Dutch government has prepared draft legislation adding the threshold of 2%. It is currently unclear whether and when this will be enacted.

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 Admission, 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 interest of which are substantially equivalent to those of such a 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 to 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 N Ordinary Shares on the JSE, the Company will also announce any notification made to the AFM regarding a transaction concluded by a Director on SENS.

³⁵ The Dutch government has prepared draft legislation adding the threshold of 2%. It is currently unclear whether and when this will be enacted.

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 pressed, 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 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. Third parties can request to be notified automatically by email 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 (the **Shareholder Rights Directive II**), 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 deadline for the Shareholder Rights Directive II to be implemented into Dutch law was 10 June 2019.

A bill on the promotion of the long-term involvement of shareholders (*bevordering van de langetermijnbetrokkenheid van aandeelhouders*) (the **Dutch SRD Bill**), implementing the Shareholder Rights Directive II in the Netherlands, has been submitted to Dutch parliament. As at the date of this Prospectus, the Dutch SRD Bill has not been adopted by Dutch parliament. The Dutch SRD Bill, among other things, adds new rules on related party transactions to the Dutch Civil Code.

The Dutch SRD Bill provides that "*material transactions*" with "*related parties*" entered into outside the normal course of business or on other than normal market terms, will need to be approved by the supervisory board, or, 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. Directors that have a, direct or indirect, personal interest in the transaction cannot participate in the deliberations or decision-making. As long as not all of the directors are excluded on the basis that they have a personal interest in the relevant transaction, no approval from the General Meeting will be required. In this context: a "*related party*" is interpreted in accordance IFRS-EU (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 Bill (for example, transactions concluded between a company and its subsidiary). The supervisory board, or, in the case of a one-tier board, the board of directors, will be required to establish an internal procedure to periodically assess whether transactions are concluded in the ordinary course of business and on normal market terms.

For purposes of the Admission to the JSE, it is noted that the requirements for related party transactions under the Dutch SRD Bill differ from the related party transactions requirements under the JSE Listings Requirements, which the Group will not be subject to.

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 N Ordinary Shares; (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 N Ordinary Shares 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 EU Market Abuse Rules

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 offense and/or a crime (*misdriff*) 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 pressed, 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 pressed, 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 Conduct

The Company has adopted a code of conduct in respect of the reporting and regulation of transactions in the Company's securities by Directors and its employees, which will be effective as at the First Trading Date.

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 will be 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 made rulings, granted dispensations and given confirmations in relation to the Admission to the JSE and this Prospectus. In particular, JSE Limited has provided an in-principle ruling in terms of which it approves the Admissions from a JSE Listings Requirements perspective, including the Protection Structure. See "*Shareholder Structure and Related Party Transactions—Protection Structure*".

JSE Limited has consented to this Prospectus to be prepared in accordance with the Prospectus Regulation, including the relevant disclosure requirements, and the AFM's related approval of this Prospectus, as the sole listing document for the purpose of the Admission to the JSE. Notwithstanding the above, as part of the JSE's approval of this Prospectus for the purposes of the Admission to the JSE, JSE Limited has required the inclusion of specific disclosures envisaged in the JSE Listings Requirements in this Prospectus. This Prospectus has not otherwise been prepared in accordance with the JSE Listings Requirements.

As a JSE-secondary listed issuer, under the JSE Listings Requirements, the Company will only be required to comply with the requirements of Euronext Amsterdam, the primary listing for JSE-purposes, save that:

- 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 sponsor, albeit that the announcement does not require the approval of the 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.

If both the volume and value of the N Ordinary Shares traded on the JSE exceed 50% of the total volume and total value of those N Ordinary Shares (over the previous 12 months) traded on Euronext Amsterdam and the JSE, then the Company’s listing status on the JSE in respect of the N Ordinary Shares may be converted to a primary listing. If its listing status is converted to a primary listing, the Company will be required to comply with all the relevant provisions of the JSE Listings Requirements. The Company must advise JSE Limited in writing each time that its listing status changes and must also inform its shareholders of such change by issuing a SENS announcement.

COMPANY ADS FACILITY

This section contains a description of certain terms and rights of the Company ADSs. It does not contain all the information that may be important to a prospective investor and is subject to and qualified in its entirety by reference to the deposit agreement. Company ADS holders should read the entire deposit agreement, a copy of which will be filed as an exhibit to the registration statement on Form F-6 to be filed by or on behalf of the Company with the SEC. Company ADS holders may find the registration statement and the deposit agreement on the SEC's website at <http://www.sec.gov>. In addition, this section should be read together with the description of the N Ordinary Shares under the section entitled "Description of Share Capital and Corporate Structure".

Overview

The Company intends to establish the Company ADS Facility in the United States at the First Trading Date. The Bank of New York Mellon, as depositary for the Company ADS Facility, will register and deliver the Company ADSs. Each Company ADS will represent an ownership interest in N Ordinary Shares and a *pro rata* share of any other securities, cash or other property that may be held by the depositary, under the terms of the deposit agreement to be entered into between the Company, the depositary and the registered holders, indirect holders and beneficial owners of Company ADSs from time to time. On implementation of the Capitalisation Issue, holders of Naspers ADSs at the Record Date are expected to be issued with ADSs in respect of their entitlement to Shares in terms of the Capitalisation Issue.

On the First Trading Date, the N Ordinary Shares will not be admitted to listing and trading on any stock exchange in the United States, and the Company expects to rely on an exemption from registration under the U.S. Exchange Act provided by Rule 12g3-2(b) thereunder.

The Company will not treat Company ADS holders as its shareholders and, accordingly, Company ADS holders will not have shareholders' rights under Dutch law. The rights of Company ADS holders will be governed by the deposit agreement, which will be governed by the laws of the State of New York. The deposit agreement will also set out the rights and obligations of the depositary.

The depositary or its nominee will be the record holder of the N Ordinary Shares underlying the Company ADSs. Company ADS holders may exercise their voting rights with respect to the N Ordinary Shares underlying the Company ADSs only in accordance with the provisions of the deposit agreement. The depositary will not itself exercise any voting discretion in respect of N Ordinary Shares, if the depositary is instructed to solicit voting instructions. Upon receipt of instructions from a Company ADS holder pursuant to the deposit agreement, the depositary is required to endeavour (insofar as practicable and permitted under the Articles of Association) to vote or cause to be voted the N Ordinary Shares represented by the Company ADSs in accordance with such instructions. If the Company did not request the depositary to solicit voting instructions, ADS holders can still give voting instructions and the depositary may, but is not required to, endeavour to carry out those instructions.

Company ADS holders will be required to pay fees under the terms of the deposit agreement, including fees for cancellation of Company ADSs and upon dividends and distributions. The depositary has agreed to reimburse the Company for certain expenses directly related to the Company ADS Facility.

Description of ADSs

The Bank of New York Mellon, as depositary, will register and deliver Company ADSs. Each Company ADS will represent one-fifth of one N Ordinary Share (or a right to receive one-fifth of one N Ordinary Share) deposited with ING Bank N.V., as custodian for the depositary in the Netherlands, or FirstRand Bank Limited or The Standard Bank of South Africa Limited, as custodian for the depositary in South Africa, as custodian for the depositary in the Netherlands or custodian for the depositary in South Africa. Each Company ADS will represent an ownership interest in N Ordinary Shares and a *pro rata* share of any other securities, cash or other property that may be held by the depositary. The deposited Shares together with any other securities, cash or other property held by the depositary are referred to as the "**deposited securities**". The depositary's office at which the Company ADSs will be administered and its principal executive office are located at 240 Greenwich Street, New York, NY 10286.

A person may hold Company ADSs either: (i) directly: (a) by having a Company ADR, which is a certificate evidencing a specific number of Company ADSs, registered in his/her name; or (b) by having uncertificated Company ADSs registered in his/her name; or (ii) indirectly by holding a security entitlement in Company ADSs through his/her broker or other financial institution that is a direct or indirect participant

in the Depository Trust Company (**DTC**). If the Company ADS holder holds the Company ADSs indirectly, he/she must rely on the procedures of his/her broker or other financial institution to assert the rights of Company ADS holders described herein. The Company ADS holder should consult with his/her broker or financial institution to find out what those procedures are.

Registered holders of uncertificated Company ADSs will receive statements from the depository confirming their holdings.

As a Company ADS holder, the Company will not treat him/her as one of its shareholders and he/she will not have shareholder rights, which are governed by Dutch law. The depository will be the holder of the N Ordinary Shares underlying his/her Company ADSs. As a registered holder of Company ADSs, he/she will have Company ADS holder rights. A deposit agreement between the Company, the depository, Company ADS holders and all other persons indirectly or beneficially holding Company ADSs, sets out Company ADS holder rights as well as the rights and obligations of the depository. New York law governs the deposit agreement and the Company ADSs.

Terms of the Deposit Agreement

The following is a summary of the material provisions of the deposit agreement. For more complete information, ADS holders may find the registration statement and the deposit agreement on the SEC's website at <http://www.sec.gov>.

Dividends and other Distributions

The depository has agreed to pay or distribute to Company ADS holders the cash dividends or other distributions it or the custodian receives on N Ordinary Shares or other deposited securities, upon payment or deduction of its fees and expenses. Company ADS holders will receive these distributions in proportion to the number of N Ordinary Shares their Company ADSs represent.

Cash

The depository will convert any cash dividend or other cash distribution the Company pays on the N Ordinary Shares into U.S. Dollars, if it can do so on a reasonable basis and can transfer the U.S. Dollar to the United States. If that is not possible or if any government approval is needed and is not obtained, the deposit agreement allows the depository to distribute the foreign currency only to those Company ADS holders to whom it is possible to do so. It will hold the foreign currency it does not convert for the account of the Company ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See "*—Payment of Taxes*". The depository will distribute only whole U.S. Dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the depository cannot convert the foreign currency, Company ADS holders may lose some of the value of the distribution.

Shares

The depository may distribute additional Company ADSs representing any N Ordinary Shares that the Company distributes as a dividend or free distribution. The depository will only distribute whole Company ADSs. It will sell N Ordinary Shares that would require it to deliver a fraction of a Company ADS (or Company ADSs representing those N Ordinary Shares) and distribute the net proceeds in the same way as it does with cash. If the depository does not distribute additional Company ADSs, the outstanding Company ADSs will also represent the new N Ordinary Shares. The depository may sell a portion of the distributed N Ordinary Shares (or Company ADSs representing those N Ordinary Shares) sufficient to pay its fees and expenses in connection with that distribution.

Rights to Purchase Additional N Ordinary Shares

If the Company offers holders of its securities any rights to subscribe for additional N Ordinary Shares or any other rights, the depository may: (i) exercise those rights on behalf of Company ADS holders; (ii) distribute those rights to Company ADS holders; or (iii) sell those rights and distribute the net proceeds to Company ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent that the depository does not do any of those things, it will allow the rights to lapse. In that case, Company ADS holders will receive no value for them. The depository will exercise or distribute rights only

if the Company asks it to and provide satisfactory assurances to the depository that it is legal to do so. If the depository will exercise its rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of N Ordinary Shares, new Company ADSs representing the new N Ordinary Shares, to subscribing Company ADS holders, but only if Company ADS holders have paid the exercise price to the depository. U.S. securities laws may restrict the ability of the depository to distribute rights or Company ADSs or other securities issued on exercise of rights to all or certain Company ADS holders, and the securities distributed may be subject to restrictions on transfer.

Other Distributions

The depository will send to Company ADS holders anything else the Company distributes on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depository has a choice. It may decide to sell what the Company distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what the Company distributed, in which case Company ADSs will also represent the newly distributed property. The depository is, however, not required to distribute any securities (other than Company ADSs) to Company ADS holders unless it receives satisfactory evidence from the Company that it is legal to make that distribution. The depository may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depository to distribute securities to all or certain Company ADS holders, and the securities distributed may be subject to restrictions on transfer.

The depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any Company ADS holders. The Company has no obligation to register Company ADSs, N Ordinary Shares, rights or other securities under the U.S. Securities Act. The Company also has no obligation to take any other action to permit the distribution of Company ADSs, N Ordinary Shares, rights or anything else to Company ADS holders. This means that the Company ADS holder may not receive the distributions the Company makes on its N Ordinary Shares or any value for them if it is illegal or impractical for the Company to make them available to the Naspsers ADS holder.

Deposit, Withdrawal and Cancellation

Issue of Company ADS

The depository will deliver Company ADSs if the Company ADS holder or his/her broker deposits N Ordinary Shares or evidence of rights to receive N Ordinary Shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depository will register the appropriate number of Company ADSs and will deliver the Company ADSs to or upon the order of the person or persons that made the deposit.

Withdrawal of ADS

Company ADS holders may surrender their Company ADSs to the depository for the purpose of withdrawal. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depository will deliver the N Ordinary Shares and any other deposited securities underlying the Company ADSs to the Company ADS holder or a person the Company ADS holder designates at the office of the custodian. Or, at his/her request, risk and expense, the depository will deliver the deposited securities at its office, if feasible. The depository, however, is not required to accept surrender of Company ADSs to the extent it would require delivery of a fraction of a deposited Share or other security. The depository may charge him/her a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

Certificated ADSs and Uncertificated ADSs

A Company ADS holder may surrender his/her Company ADR to the depository for the purpose of exchanging his/her Company ADR for uncertificated Company ADSs. The depository will cancel that Company ADR and will send to the Company ADS holder a statement confirming that the Company ADS holder is the registered holder of uncertificated Company ADSs. Upon receipt by the depository of a proper instruction from a registered holder of uncertificated Company ADSs requesting the exchange of uncertificated Company ADSs for certificated Company ADSs, the depository will execute and deliver to the Company ADS holder a Company ADR evidencing those Company ADSs.

Voting Rights

Company ADS holders may instruct the depositary how to vote the number of deposited N Ordinary Shares that their Company ADSs represent. If the Company requests the depositary to solicit their voting instructions (and the Company is not required to do so), the depositary will notify them of a General Meeting and send or make voting materials available to them.

Those materials will describe the matters to be voted on and explain how Company ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary.

The depositary will try, as far as practical, subject to the laws of the Netherlands and the provisions of the Articles of Association or similar documents, to vote or to have its agents vote the N Ordinary Shares or other deposited securities as instructed by Company ADS holders. If the Company does not request the depositary to solicit their voting instructions, Company ADS holders can still send voting instructions, and, in that case, the depositary may try to vote as they instruct, but it is not required to do so.

Except by instructing the depositary as described above, Company ADS holders will not be able to exercise voting rights unless they surrender their Company ADSs and withdraw the N Ordinary Shares. Company ADS holders may, however, not know about the General Meeting long enough in advance to withdraw the N Ordinary Shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed.

The Company cannot assure Company ADS holders that they will receive the voting materials in time to ensure that they can instruct the depositary to vote their N Ordinary Shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that Company ADS holders may not be able to exercise voting rights and there may be nothing they can do if their Shares are not voted as they requested.

In order to give Company ADS holders a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to N Ordinary Shares, if the Company requests the depositary to act, the Company as agreed with the depositary to give it notice of any such General Meeting and details concerning the matters to be voted upon at least 30 days in advance of the General Meeting date.

Fees and Expenses

The following table sets forth a summary of charges incurred by Company ADS holders or persons depositing or withdrawing N Ordinary Shares.

<u>Charge</u>	<u>Activity Incurring Charge</u>
US\$5.00 (or less) per 100 Company ADSs (or portion of 100 Company ADSs)	Issuance of Company ADSs, including issuances resulting from a distribution of N Ordinary Shares or rights or other property
	Cancellation of Company ADSs for the purpose of withdrawal, including if the deposit agreement terminates
US\$0.05 (or less) per Company ADS	Any cash distribution to Company ADS holders
A fee equivalent to the fee that would be payable if securities distributed to Company ADS holders had been N Ordinary Shares and the N Ordinary Shares had been deposited for issuance of Company ADSs	Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depository to Company ADS holders
US\$0.05 (or less) per Company ADS per calendar year	Depository services
Registration or transfer fees	Transfer and registration of N Ordinary Shares on the Company's shareholders' register to or from the name of the depository or its agent when Company ADS holders deposit or withdraw N Ordinary Shares
Expenses of the depository	Cable and facsimile transmissions (when expressly provided in the deposit agreement)
	Converting foreign currency to U.S. Dollars
Taxes and other governmental charges the depository or the custodian has to pay on any Company ADSs or N Ordinary Shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depository or its agents for servicing the deposited securities	As necessary

The depository collects its fees for delivery and surrender of Company ADSs directly from investors depositing N Ordinary Shares or surrendering Company ADSs for the purpose of withdrawal or from intermediaries acting for them. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may collect its annual fee for depository services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depository may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to Company ADS holders that are obligated to pay those fees. The depository may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depository may make payments to the Company to reimburse it for costs and expenses generally arising out of establishment and maintenance of the Company ADS programme, waive fees and expenses for services provided to the Company by the depository or share revenue from the fees collected from Company ADS holders. In performing its duties under the deposit agreement, the depository may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depository and that may earn or share fees, spreads or commissions.

The depository may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, adviser, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depository or its affiliate

receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favourable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favourable to Company ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Payment of Taxes

Company ADS holders will be responsible for any taxes or other governmental charges payable on their Company ADSs or on the deposited securities represented by any of their Company ADSs. The depositary may refuse to register any transfer of their Company ADSs or allow them to withdraw the deposited securities represented by their Company ADSs until those taxes or other charges are paid. It may apply payments owed to them or sell deposited securities represented by their Company ADSs to pay any taxes owed and they will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to Company ADS holders any proceeds, or send to Company ADS holders any property, remaining after it has paid the taxes.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do by a holder surrendering Company ADSs and subject to any conditions or procedures the depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depositary as a holder of deposited securities, the depositary will call for surrender of a corresponding number of Company ADSs and distribute the net redemption money to the holders of called Company ADSs upon surrender of those Company ADSs.

If there is any change in the deposited securities such as a subdivision, combination or other reclassification, or any merger, consolidation, recapitalisation or reorganisation affecting the issuer of deposited securities in which the depositary receives new securities in exchange for, or in lieu of, the old deposited securities, the depositary will hold those replacement securities as deposited securities under the deposit agreement. However, if the depositary decides it would not be lawful and practical to hold the replacement securities because those securities could not be distributed to Company ADS holders or for any other reason, the depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the Company ADSs.

If there is a replacement of the deposited securities and the depositary will continue to hold the replacement securities, the depositary may distribute new Company ADSs representing the new deposited securities or ask Company ADS holders to surrender their outstanding Company ADRs in exchange for new Company ADRs identifying the new deposited securities.

If there are no deposited securities underlying Company ADSs, including if the deposited securities are cancelled, or if the deposited securities underlying Company ADSs have become apparently worthless, the depositary may call for surrender of those Company ADSs or cancel those Company ADSs upon notice to the Company ADS holders.

Amendment and Termination

The Company may agree with the depositary to amend the deposit agreement and the Company ADRs without Company ADS holders' consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of Company ADS holders, it will not become effective for outstanding Company ADSs until 30 days after the depositary notifies Company ADS holders of the amendment. At the time an amendment becomes effective, Company ADS holders are considered, by continuing to hold their Company ADSs, to agree to the amendment and to be bound by the Company ADSs and the deposit agreement as amended.

The depositary will initiate termination of the deposit agreement if the Company instructs it to do so. The depositary may initiate termination of the deposit agreement if:

- 90 days have passed since the depositary told the Company it wants to resign but a successor depositary has not been appointed and accepted its appointment;

- the Company delists its N Ordinary Shares from an exchange on which they were listed and does not list the N Ordinary Shares on another exchange;
- the Company enters insolvency proceedings;
- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the Company ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the deposit agreement will terminate, the depository will notify Company ADS holders at least 120 days before the termination date. At any time after the termination date, the depository may sell the deposited securities. After that, the depository will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the *pro rata* benefit of the Company ADS holders that have not surrendered their Company ADSs. Normally, the depository will sell as soon as practicable after the termination date.

After the termination date and before the depository sells, Company ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depository may refuse to accept a surrender for the purpose of withdrawing deposited securities or reverse previously accepted surrenders of that kind if it would interfere with the selling process. The depository may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depository will continue to collect distributions on deposited securities, but, after the termination date, the depository is not required to register any transfer of Company ADSs or distribute any dividends or other distributions on deposited securities to the Company ADS holders (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability

The deposit agreement expressly limits the Company's obligations and the obligations of the depository. It also limits the Company's liability and the liability of the depository. The Company and the depository:

- are only obligated to take the actions specifically set out in the deposit agreement without negligence or bad faith, and the depository will not be a fiduciary or have any fiduciary duty to holders of Company ADSs;
- are not liable if the Company or the depository is prevented or delayed by law or by events or circumstances beyond the Company's or the depository's ability to prevent or counteract with reasonable care or effort from performing the Company's or the depository's obligations under the deposit agreement;
- are not liable if the Company or the depository exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of Company ADSs to benefit from any distribution on deposited securities that is not made available to holders of Company ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceedings related to the Company ADSs or the deposit agreement on Company ADS holders' behalf or on behalf of any other person;
- may rely upon any documents the Company or the depository believes in good faith to be genuine and to have been signed or presented by the proper person;
- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- the depository has no duty to make any determination or provide any information as to the Company's tax status, or any liability for any tax consequences that may be incurred by Company ADS holders as a result of owning or holding Company ADSs or be liable for the inability or failure of a Company ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the deposit agreement, the Company and the depository agree to indemnify each other under certain circumstances.

Requirements for Depository Actions

Before the depository will deliver or register a transfer of Company ADSs, make a distribution on Company ADSs, or permit withdrawal of N Ordinary Shares, the depository may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any N Ordinary Shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depository may refuse to deliver Company ADSs or register transfers of Company ADSs when the transfer books of the depository or the Company's transfer books are closed or at any time if the depository or the Company thinks it advisable to do so.

Right to Receive the Shares Underlying the Company ADSs

Company ADS holders have the right to cancel their ADSs and withdraw the underlying N Ordinary Shares at any time, except:

- when temporary delays arise because: (i) the depository has closed its transfer books or the Company has closed its transfer books; (ii) the transfer of N Ordinary Shares is blocked to permit voting at a General Meeting; or (iii) the Company is paying a dividend on its N Ordinary Shares;
- when Company ADS holders owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to Company ADSs or to the withdrawal of N Ordinary Shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the direct registration system (**DRS**) and profile modification system (**Profile**), will apply to the Company ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is a feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depository to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depository of prior authorisation from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depository will not determine whether the DTC participant that is claiming to be acting on behalf of a Company ADS holder in requesting registration of transfer and delivery, as described in the paragraph above, has the actual authority to act on behalf of the Company ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depository's reliance on and compliance with instructions received by the depository through the DRS/Profile system and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depository.

Shareholder Communications; Inspection of Register of Holders of Company ADSs

The depository will make available for Company ADS holders' inspection at its office all communications that it receives from the Company as a holder of deposited securities that it makes generally available to holders of deposited securities. The depository will send them copies of those communications or otherwise make those communications available to them if the Company asks it to so. Company ADS holders have a right to inspect the register of holders of Company ADSs, but not for the purpose of contacting those holders about a matter unrelated to the Company's business or the Company ADSs.

Jury Trial Waiver

The deposit agreement provides that, to the extent permitted by law, Company ADS holders waive the right to a jury trial of any claim they may have against the Company or the depositary arising out of or relating to the N Ordinary Shares, the Company ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If the Company or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based upon the facts and circumstances of that case in accordance with applicable case law. No provision of the deposit agreement is intended to be deemed a waiver by any holder or beneficial owner of Company ADSs of the Company's or the depositary's compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

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 N Ordinary Shares, including the disposal of Naspers M Ordinary Shares under the Naspers M Share Capitalisation Issue. For purposes of Dutch tax law, a holder of N Ordinary Shares may include an individual or entity who does not have the legal title of these N Ordinary Shares, but to whom nevertheless the N Ordinary Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the N Ordinary Shares or the income thereof. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, settlement, redemption and disposal of N Ordinary Shares.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case 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:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) 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;
- (iii) corporate holders of N Ordinary Shares (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 N Ordinary Shares (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;
- (iv) holders of N Ordinary Shares (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 N Ordinary Shares (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 (statutorily defined term), 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);
- (v) persons to whom the N Ordinary Shares (or Naspers N Ordinary Shares, as the case may be) and the income from the N Ordinary Shares (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 2001 (*Wet inkomstenbelasting 2001*);
- (vi) entities which are a resident of Aruba, Curacao 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 N Ordinary Shares (or Naspers N Ordinary Shares, as the case may be) are attributable to such permanent establishment or permanent representative;
- (vii) holders of N Ordinary Shares (or Naspers N Ordinary Shares, as the case may be) which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these N Ordinary Shares (or Naspers N Ordinary Shares, as the case may be) or the benefits derived from or realised in respect of these N Ordinary Shares (or Naspers N Ordinary Shares, as the case may be); and
- (viii) individuals to whom N Ordinary Shares (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 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.

Capitalisation Issue

Naspers M Share Capitalisation Issue

For Dutch corporate income tax and individual income tax purposes, the issuance by Naspers of Naspers M Ordinary Shares is not considered to constitute taxable income. The subsequent exchange of Naspers M Ordinary Shares for N Ordinary Shares is for Dutch corporate income tax and individual income tax purposes considered a taxable disposal of the Naspers M 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 N Ordinary Shares. The gain is equal to the fair market value of the relevant N Ordinary Shares and is taxed at the rate as described with respect to holders of N Ordinary Shares in the subsection entitled “—*Corporate and Individual Income Tax*”.

The issuance by Naspers of Naspers M Ordinary Shares and the subsequent exchange of Naspers M Ordinary Shares for N Ordinary Shares 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.

Naspers N Share Capitalisation Issue

For Dutch corporate income tax and individual income tax purposes, the issuance by Naspers of Naspers N Ordinary Shares is not considered to constitute taxable income.

Neither the issuance by Naspers of Naspers N Ordinary Shares nor cash payments for fractional entitlements to Naspers N Ordinary Shares in the context of the Naspers N Share Capitalisation Issue will 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.

Cross-border Transfer of N Ordinary Shares between Euronext Amsterdam and the JSE

N Ordinary Shares 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). See “*Description of Share Capital and Corporate Structure—Share Capital—Transfer of N Ordinary Shares—Cross-border Transfer of N Ordinary Shares between Euronext Amsterdam and the JSE*”.

For Dutch corporate income tax and individual income tax purposes, such transfer is not considered a disposal of the relevant N Ordinary Share and is therefore not considered a (deemed) realisation of any gains in relation to that N Ordinary Share.

Dividend Withholding Tax

Withholding Requirement

The Company is required to withhold 15% Dutch dividend withholding tax in respect of dividends paid on the N Ordinary Shares. Generally, the Dutch dividend withholding tax will not be borne by the Company, but will be withheld from the gross dividends paid on the N Ordinary Shares. In the Dutch Dividend withholding tax Act 1965 (*Wet op de dividendbelasting 1965*), dividends are defined as the proceeds from shares, which include:

- (i) direct or indirect distributions of profit, regardless of their name or form;
- (ii) liquidation proceeds, proceeds on redemption of the N Ordinary Shares and, as a rule, the consideration for the repurchase of the N Ordinary Shares by the Company in excess of its average paid-up capital recognised for Dutch dividend withholding tax purposes, unless a particular statutory exemption applies;

- (iii) the nominal value of N Ordinary Shares issued to a holder of the N Ordinary Shares or an increase of the nominal value of the N Ordinary Shares, insofar as the (increase in the) nominal value of the N Ordinary Shares is not funded out of the Company's paid-up capital as recognised for Dutch dividend withholding tax purposes; and
- (iv) 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 N Ordinary Shares 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.

Reduction of Share Capital

Upon the Restructuring, the recognised capital for Dutch dividend withholding tax purposes (*fiscaal erkend kapitaal*) of the Company will be increased by an amount that is expected to be close to, or equal to, the fair market value of the shareholding in Tencent. This recognised capital for Dutch dividend withholding tax purposes may be used by the Company to repay capital to holders of N Ordinary Shares free of Dutch dividend withholding tax.

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 Section 2:99 of the Dutch Civil Code, pass resolutions to reduce the issued share capital by: (i) cancelling N Ordinary Shares; or (ii) reducing the value of the N Ordinary Shares by amendment of the Articles of Association. For Dutch dividend withholding tax purposes, such repayment would not qualify as proceeds from shares and therefore not be subject to Dutch dividend withholding tax, if: (i) the General Meeting has resolved in advance to make such repayment; (ii) the nominal value of the N Ordinary Shares concerned has been reduced by an equal amount by way of an amendment of the Articles of Association; and (iii) the repayment concerns paid-up capital that is recognised as capital for Dutch dividend withholding tax purposes.

Residents of the Netherlands

If a holder of N Ordinary Shares 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 N Ordinary Shares will generally be creditable for Dutch corporate income tax or Dutch individual income tax purposes.

Non-residents of the Netherlands

If a holder of N Ordinary Shares 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 the Dutch dividend withholding tax.

A refund of the Dutch dividend withholding tax is available to entities resident in another Member State of the European Union, Norway, Iceland, or Liechtenstein provided: (i) these entities are not subject to corporate income tax there; and (ii) these entities 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) these entities are not comparable to investment institutions (*fiscale beleggingsinstellingen*) or exempt investment institutions (*vrijgestelde beleggingsinstellingen*). Furthermore, a similar refund of Netherlands dividend withholding tax may be available to entities resident in other countries, under the additional condition that: (i) the N Ordinary Shares 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 the international standards for the exchange of information.

A (partial) refund of Dutch dividend withholding tax is available to a holder of N Ordinary Shares resident in another Member State of the European Union, Norway, Iceland or Liechtenstein if: (i) this holder of N Ordinary Shares is not subject to Dutch individual income tax or Netherlands corporate income tax with respect to the income from the N Ordinary Shares; and (ii) such Dutch dividend withholding tax is higher than the Dutch individual income tax or Dutch corporate income tax would have been had this holder of N Ordinary Shares 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; and (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 N Ordinary Shares is tax resident, for the full amount of Dutch dividend withholding tax withheld; and (iv) this holder of N Ordinary Shares 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 N Ordinary Shares resident in another country, under the additional conditions that: (a) the N Ordinary Shares 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 the international standards for the exchange of information.

U.S. Residents

A holder of N Ordinary Shares who is a resident in the United States and is entitled to the benefits of 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 N Ordinary Shares is an exempt pension trust as described in Article 35 of the U.S.-NL 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 N Ordinary Shares 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:

- (i) that the proceeds have in whole or in part accumulated, directly or indirectly, to a person or legal entity that would:
 - (A) as opposed to the recipient paying the consideration, not be entitled to an exemption from dividend withholding tax; or
 - (B) in comparison to the recipient paying the consideration, to a lesser extent be entitled to a reduction or refund of dividend withholding tax; and
- (ii) that such person or legal entity has, directly or indirectly, retained or acquired an interest in N Ordinary Shares, 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 N Ordinary Shares. Provided certain conditions are met, the Company may apply a reduction 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:

- (i) 3% of the amount of the dividends distributed by the Company that are subject to Dutch dividend tax; and
- (ii) 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 N Ordinary Shares 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 N Ordinary Shares are attributable, income derived from the N Ordinary Shares and gains realised upon the redemption,

settlement or disposal of the N Ordinary Shares are generally taxable in the Netherlands (at up to a maximum rate of 25%).

If a holder of N Ordinary Shares 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 N Ordinary Shares and gains realised upon the redemption, settlement or disposal of the N Ordinary Shares are taxable at the progressive rates (at up to a maximum rate of 51.75%) under the Dutch Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the N Ordinary Shares 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 N Ordinary Shares are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the N Ordinary Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the N Ordinary Shares, taxable income with regard to the N Ordinary Shares 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 N Ordinary Shares 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 30%.

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 N Ordinary Shares and gains realised upon the redemption or disposal of the N Ordinary Shares, unless:

- (i) 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 N Ordinary Shares 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 N Ordinary Shares are attributable.

This income is subject to Dutch corporate income tax at up to a maximum rate of 25%;

- (ii) 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 N Ordinary Shares are attributable; or (2) realises income or gains with respect to the N Ordinary Shares that qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*) in the Netherlands which include activities with respect to the N Ordinary Shares 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 N Ordinary Shares are attributable.

Income derived from the N Ordinary Shares as specified under (1) and (2) by an individual is subject to individual income tax at progressive rates up to a maximum rate of 51.75%. 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 (as described under “—Residents of the Netherlands”).

Gift and Inheritance Tax

Dutch gift or inheritance taxes will not be levied on the occasion of the transfer of the N Ordinary Shares by way of gift by, or on the death of, a holder of the N Ordinary Shares, unless:

- (i) the holder of the N Ordinary Shares is, or is deemed to be, resident in the Netherlands for the purpose of the relevant provisions; or
- (ii) 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 N Ordinary Shares or in respect of a cash payment made under the N Ordinary Shares, or in respect of a transfer of N Ordinary Shares.

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 N Ordinary Shares.

Residence

A holder of N Ordinary Shares will not become or be deemed to become a resident of the Netherlands solely by reason of holding these N Ordinary Shares.

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 N Ordinary Shares. 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 N Ordinary Shares, 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. This summary is based on the assumption that an investor is resident in South Africa for tax purposes, and that the Company is not resident in South Africa for tax purposes.

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 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.

Capitalisation Issue

The capitalisation issue by Naspers of Naspers N Ordinary Shares and Naspers M Ordinary Shares is not a taxable event. Furthermore the issue of shares by a company is specifically excluded from the definition of a “*dividend*”, and, as such, there should be no dividend tax liability triggered as a result of the Capitalisation Issue.

In the hands of the shareholders, such Naspers N Ordinary Shares and Naspers M Ordinary Shares will, however, be deemed to have nil tax base cost, which implies that the full value of these shares may become taxable in the event that such shares are disposed of in future, to the extent that the shareholder is subject to South African tax. In this regard, in terms of the Naspers M Share Capitalisation Issue a disposal of the Naspers M Ordinary Shares is triggered immediately for South African tax purposes when the Naspers M Ordinary Shares will be automatically contributed for the issue of N Ordinary Shares in accordance with the terms of the Naspers M Ordinary Shares (with proceeds being equal to the market value of the N Ordinary Shares at the time that the Capitalisation Issue is implemented). Effectively, this means that whereas the capitalisation issue by Naspers of Naspers N Ordinary Shares is tax free for South African tax resident shareholders, the Naspers M Share Capitalisation Issue will be a taxable event for certain South African tax resident shareholders (i.e. taxable). Non-South African tax resident shareholders, whose Naspers N Ordinary Shares or Naspers M Ordinary Shares, as the case may be, are not attributable to a permanent establishment in South Africa, should fall outside the scope of South African capital gains tax insofar as it relates to the disposal of such shares in Naspers – as Naspers is not a so-called “*land rich*” company – i.e. Naspers N Ordinary Shares or Naspers M Ordinary Shares should not constitute an “*interest in immovable property situated in the Republic*” for South African capital gains tax purposes.

Cross-border Transfer of N Ordinary Shares between Euronext Amsterdam and the JSE

N Ordinary Shares 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). See “*Description of Share Capital and Corporate Structure—Share Capital—Transfer of N Ordinary Shares—Cross-border Transfer of N Ordinary Shares between Euronext Amsterdam and the JSE*”.

For South African income and capital gains tax purposes, such transfer is not considered a disposal of the relevant N Ordinary Share.

Distributions

A monetary amount paid by the Company to a South African tax resident shareholder, in respect of an N Ordinary Share, 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 Dividend

It is understood that distributions made in respect of the N Ordinary Shares 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 Dividend 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 which 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 an N Ordinary Share listed on the JSE 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).

South African Dividend Tax

South Africa imposes a 20% withholding tax on foreign dividends (**Dividend 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 N Ordinary Shares will accordingly be subject to South African Dividend Tax, unless the recipient of the dividend qualifies for an exemption. An exemption from South African Dividend 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 and a collective investment scheme in securities. Natural persons who are South African tax resident do not qualify for an exemption from South African Dividend 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.

Dividend Tax must be withheld by the appropriate broker or transfer secretary unless the beneficial owner of the dividend qualifies for an exemption from Dividend Tax. Certain prescribed legal formalities must be complied with by the beneficial owner of a dividend to facilitate the process whereby no South African Dividend 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 Dividend 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).

Dutch Dividend Withholding Tax

In addition to South African Dividend Tax, dividends by the Company may also be subject to Dutch dividend withholding tax as described in “—*Taxation in the Netherlands—Dividend Withholding Tax*”. A South African resident shareholder of N Ordinary Shares may, however, claim a tax rebate against the South African Dividend 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 Dividend Tax payable (if any) in respect of that foreign dividend.

A South African shareholder may also avail of the tax treaty between South Africa and the Netherlands for purposes of reducing Dutch withholding taxes. See “—*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.

Disposals

Persons which are tax resident in South Africa may be subject to capital gains tax upon the disposal of N Ordinary Shares, if they hold the N Ordinary Shares as capital assets. The disposal of N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares, a South African shareholder may realise a capital gain or capital loss for South African tax purposes, depending on whether the proceeds from the disposal exceed the

shareholder's base cost in the N Ordinary Shares. In general, the base cost of an asset will be the acquisition cost of the asset in question (i.e. the subscription price in the event that a person subscribed for shares or the purchase price paid in the event of an acquisition of shares).

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 a 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 N Ordinary Shares must, however, be disregarded where subject to capital gains:

- (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) for a period of at least 18 months prior to that disposal unless:
 - (A) that person is a company;
 - (B) that interest was acquired by that person from any other company that forms part of the same group of companies as that person; and
 - (C) that 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 N Ordinary Shares), such person must reduce their base cost for CGT purposes by the amount received. If the amount received exceeds the base cost of the N Ordinary Shares, the excess portion will be treated as a capital gain in the hands of a holder of the N Ordinary Shares for the year of assessment in which the foreign return of capital is received by or accrues to the holder of the N Ordinary Shares 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 N Ordinary Shares, if the N Ordinary Shares 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

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 an 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 N Ordinary Shares. In the context of listed shares, STT is normally payable by the brokers and transfer secretaries (and recoverable from the transferee).

Certain United States Federal Income Tax Consequences

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 N Ordinary Shares or 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: (i) the Naspers M Share Capitalisation Issue and the Naspers N Share Capitalisation Issue; and (ii) the ownership and disposal of the N Ordinary Shares as at the date hereof to United States Holders and Non-United States Holders (as defined below). This discussion deals only with Naspers N Shareholders receiving Naspers M Ordinary Shares in the Naspers M Share Capitalisation Issue. With respect to the ownership and disposal of the N Ordinary Shares, this discussion deals only with United States Holders that will hold the N Ordinary Shares as capital assets. As used herein, the term United States Holder means a beneficial owner of Naspers N Ordinary Shares (in the below discussion of the Naspers M Share Capitalisation Issue and the Naspers N Share Capitalisation Issue) or N Ordinary Shares (in the below discussion of the ownership and disposal of the 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 N Ordinary Shares that is neither a partnership nor a United States Holder.

This discussion does not represent a detailed description of the United States federal income tax consequences applicable to United States Holders that are subject to special treatment under the United States federal income tax laws, including if a prospective investors 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 entity or arrangement that is treated as a partnership or pass-through entity for United States federal income tax purposes, or a person that holds N Ordinary Shares through such entity or arrangement;
- a person holding the 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 that 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 (the **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 a 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 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 N Ordinary Shares should consult their tax advisers.

This discussion does not contain a detailed description of all the United States federal income tax consequences to investors in light of their particular circumstances and 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, or the possible application of United States estate or gift taxes. Investors should consult their own tax advisers concerning the United States federal income tax consequences of the Naspers M Share Capitalisation Issue and the ownership and disposal of the N Ordinary Shares in light of their particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

The Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue

General Consequences

Each Naspers N Shareholder will be treated as receiving a distribution on their Naspers N Ordinary Shares in an amount equal to the U.S. Dollar value of the Naspers M Ordinary Shares or Naspers N Ordinary Shares received by such shareholder and any cash received in lieu of fractional entitlements. For the United States Holders of Naspers N Ordinary Shares, the Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue will be taxable as a foreign-source dividend to the extent of the current and accumulated earnings and profits of Naspers, as determined under United States federal income tax principles. Naspers does not currently determine earnings and profits in accordance with United States federal income tax principles. Therefore, United States Holders should expect that the Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue will generally be treated as a dividend. For further information on the U.S. tax considerations relating to receiving dividends denominated in a non-U.S. currency, see “—Ownership and Disposal of the N Ordinary Shares—Taxation of Dividends”.

Naspers N Shareholders will have a tax basis in each share of Naspers M Ordinary Shares or Naspers N Ordinary Shares received in the Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue equal to the fair market value of the share at the time of the capitalisation issue, and the holding period for those shares generally would begin on the day after the capitalisation issue. The Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue will generally not affect a United States Holder’s tax basis in its Naspers N Ordinary Shares.

United States Holders should consult their tax advisers as to the application of the rules discussed above.

The Non-United States Holders of Naspers N Ordinary Shares will not be subject to U.S. federal income tax on the Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue (unless the Naspers M Share Capitalisation Issue or Naspers N Share Capitalisation Issue is effectively connected with the Non-United States Holder’s conduct of a U.S. trade or business, and if an applicable income tax treaty requires, is attributable to a U.S. permanent establishment maintained by the Non-United States Holder in the United States).

PFIC Status of Naspers

If the Transaction is implemented, Naspers expects that it will be a passive foreign investment company (**PFIC**) for the current year and may be a PFIC for future taxable years. 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 Naspers is classified as a PFIC in any taxable 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 taxable years, regardless of whether Naspers continues to meet the definition of a PFIC in subsequent years.

If a valid qualified election fund election or mark-to-market election (each discussed in greater detail below) is not in effect, a United States Holder of Naspers N Ordinary Shares will be subject to special tax rules with respect to any “*excess distribution*” received and any gain realized from a sale or other disposition (including a pledge) of Naspers N Ordinary Shares. 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 the Naspers N Ordinary Shares will be treated as excess distributions. Under these special tax rules: (i) the excess distribution or gain 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 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 Naspers N Ordinary Shares will generally be subject to similar rules with respect to distributions to Naspers by, and dispositions by Naspers of the stock of, any direct or indirect subsidiaries of Naspers that are also PFICs (such subsidiaries, lower-tier PFICs).

In general, a United States Holder of Naspers N Ordinary Shares subject to the PFIC rules discussed above or below is required to file IRS Form 8621 with respect to its ownership of Naspers N Ordinary Shares.

Qualified Electing Fund Election

Naspers intends to provide, or cause its independent accountants 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 “*qualified electing fund*” (a **QEF**) election (**QEF Information**). If a United States Holder of Naspers N Ordinary Shares elects to treat Naspers as a QEF, distributions and gain will not be taxed as if recognized ratably over the United States Holder’s holding period or subject to an interest charge. Instead, a United States Holder of Naspers N Ordinary Shares that makes a QEF election is required for each taxable year to include in income its *pro rata* share of the ordinary earnings of Naspers as ordinary income and a *pro rata* share of the net capital gain of Naspers as capital gain, regardless of whether such earnings or gain have in fact been distributed, subject to a separate election to defer payment of taxes, which deferral is subject to an interest charge.

Mark-to-Market Election

Alternatively, a United States Holder of Naspers N Ordinary Shares may make an election to include gain or loss on the Naspers N Ordinary Shares as ordinary income or loss under a mark-to-market method, provided that the Naspers N Ordinary Shares are regularly traded on a qualified exchange. If a United States Holder of Naspers N Ordinary Shares makes an effective mark-to-market election, the United States Holder will include in each year as ordinary income the excess of the fair market value of its Naspers N Ordinary Shares at the end of the year over its adjusted tax basis in the Naspers N Ordinary Shares. The United States Holder will be entitled to deduct as an ordinary loss each year the excess of its adjusted tax basis in the Naspers N Ordinary Shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A United States Holder’s adjusted tax basis in the Naspers N Ordinary Shares will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. In addition, gains from an actual sale or other disposition of Naspers N Ordinary Shares 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. Because a mark-to-market election may not be available for equity interests in any lower-tier PFICs, a United States Holder of Naspers N Ordinary Shares may continue to be subject to the PFIC rules with respect to its indirect interest in such lower-tier PFICs. United States Holders should consult their tax advisers as to the availability and desirability of a mark-to-market election, as well as the impact of such election on interests in any lower-tier PFICs.

If a United States Holder of Naspers N Ordinary Shares makes a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years, unless the Naspers N Ordinary Shares are no longer regularly traded on a qualified exchange or the U.S. Internal Revenue Service consents to the revocation of the election.

United States Holders of Naspers N Ordinary Shares should consult their tax advisers regarding the consequences of owning a PFIC.

Ownership and Disposal of the N Ordinary Shares

PFIC Status of the Company

As discussed above under “—*The Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue—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. Based on the present nature of the Company’s activities, including the Transaction and the present composition of the Company’s assets and sources of 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 subsidiaries and their 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 subsidiaries and their holdings; and (ii) the application of the look-through rule to indirect subsidiaries 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 N Ordinary Shares 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.

For further information on the general consequences of owning a PFIC, see “—*The Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue—PFIC Status of Naspers*”. The Company currently does not intend to compile QEF information for United States Holders of N Ordinary Shares, and therefore it is expected that a QEF election will be unavailable in respect of the Company.

Taxation of Dividends

Subject to the PFIC rules discussed above, the gross amount of distributions on the N Ordinary Shares (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.

The Company does not expect to determine earnings and profits in accordance with United States federal income tax principles. Therefore, United States Holders of N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares 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

Subject to the PFIC rules discussed above, for United States federal income tax purposes, United States Holders of N Ordinary Shares generally will recognise taxable gain or loss on any sale or exchange of the N Ordinary Shares in an amount equal to the difference between the amount realised for the N Ordinary Shares and their tax basis in the N Ordinary Shares. 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 N Ordinary Shares 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 N Ordinary Shares that receives non-United States currency from a sale or disposition of N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares 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 N Ordinary Shares for a cash amount paid in Euro or other non-United States currency.

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 any payments on the N Ordinary Shares or gain from the sale, redemption or other disposition of the N Ordinary Shares unless: (i) that payment and/or gain 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 payment and/or gain is attributable to a permanent establishment or fixed base that such Non-United States Holder maintains in the United States; or (ii) in the case of any gain realised on the sale or exchange of an N Ordinary Share 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, exchange or retirement and certain other conditions are met.

Backup Withholding and Information Reporting

In general, information reporting will apply to the Naspers M Share Capitalisation Issue and Naspers N Share Capitalisation Issue and to dividends in respect of the N Ordinary Shares and the proceeds from the sale, exchange or redemption of the N Ordinary Shares 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 N Ordinary Shares generally will constitute specified foreign financial assets subject to these reporting requirements unless the N Ordinary Shares 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 N Ordinary Shares.

GENERAL INFORMATION

Domicile, Legal Form and Incorporation

The Company's legal and commercial name is Myriad International Holdings N.V. (formerly, Myriad International Holdings B.V.), to be renamed Prosus N.V. with effect from the Settlement Date.

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 Taurusavenue 105, 2132 LS Hoofddorp, 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)23 569 2300. The Company's Legal Entity Identifier (LEI) is 635400Z5LQ5F9OLVT688. The Company's website is www.prosus.com.

Company Secretary

The Company's Company Secretary is Gillian Kisbey-Green, whose business address is Taurusavenue 105, 2132 LS Hoofddorp, the Netherlands.

Corporate Authorisations

Pursuant to a resolution of the General Meeting adopted prior to the date of this Prospectus, the Board has been granted an authority, for a period of 18 months following Settlement, to acquire its own Shares (including Shares issued as stock dividend), up to a maximum of 20% of the issued capital at the date of acquisition, provided that the Company will hold no more Shares in stock than 50% of its issued capital, either through purchase on a stock exchange or otherwise, at a price, excluding expenses, not lower than the nominal value of the Shares and not higher than the opening price of the N Ordinary Shares on Euronext Amsterdam on the day of the repurchase plus 10%. In addition, 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.

Pursuant to a resolution of the General Meeting adopted prior to the date of this Prospectus, the Board has been granted an authority for a period of 18 months following the Settlement Date, to resolve to issue Shares (either in the form of a stock dividend or otherwise) and/or grant rights to acquire up to a maximum of 5% of the Shares on the Settlement Date (after delivery of the Shares under the Capitalisation Restructure) in aggregate per annum for general purposes, plus 5% of the issued Shares in aggregate per annum if the issuance or granting of rights occurs within the context of a merger or acquisition, with the power to the Board to decide which class of Shares is issued, and to restrict or exclude pre-emptive rights accruing to shareholders in relation to the issue of Shares or rights to subscribe for Shares, for a period of 18 months following the Settlement Date.

Independent Auditors

The Annual Combined Carve-out Financial Statements have been audited, and the Interim Combined Carve-out Financial Statements have been reviewed but not audited, by PwC. The auditors signing the reports on behalf of PwC are registered auditors and members of the South African Institute of Chartered Accountants. PwC is located at 4 Lisbon Lane, Waterfall City, Jukskei View 2090, South Africa.

PwC has issued unqualified reports on the Annual Combined Carve-out Financial Statements and the Interim Combined Carve-out Financial Statements.

PwC has consented to the inclusion of its reports 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 the Restructuring and the changes to the share capital of the Company, as disclosed under "*Description of Share Capital and Corporate Structure—Share Capital*", there

has been no significant change in the financial performance, the financial position and the trading position of the Group since 30 June 2019.

See “*Current Trading and Recent Developments*” for further information on the Group’s current trading and recent developments.

Options or Preferential Rights in respect of Shares

Save as disclosed under “*Management, Employees and Corporate Governance—Remuneration Information for the Board*”, or in furtherance of, or related to, the Capital Restructure, the implementation of the Protection Structure and/or the Company Notes, the Company is not party to any contract or arrangement (or proposed contract or arrangement), whereby an 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.

Expenses of the Transaction

The expenses related to the Transaction payable by the Company are estimated at €43.3 million and include, among other items, 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>
Allen & Overy LLP — legal adviser to the Company and Naspers in respect of Dutch and U.S. law	3.8
AFM	0.065
Banca IMI S.p.A. — Other Financial Adviser	0.9
Bank of America Merrill Lynch International DAC, Amsterdam Branch — Other Financial Adviser	0.9
Barclays Bank plc — Other Financial Adviser	0.9
BNP Paribas — Other Financial Adviser	0.9
Euronext Amsterdam	2
Citigroup Global Markets Limited — Other Financial Adviser.....	0.9
Deutsche Bank AG, London Branch — Other Financial Adviser	0.9
Glyn Marais Inc. — legal adviser to the Company and Naspers in respect of South African law....	0.23
ICBC Standard Bank plc — Other Financial Adviser	0.9
ING Bank N.V. — Other Financial Adviser.....	0.9
Investec Bank Limited — JSE Sponsor.....	0.152
Goldman Sachs International — Lead Financial Adviser	7.2
J.P. Morgan Securities plc — Lead Financial Adviser.....	7.2
JSE Limited.....	0.203
Linklaters LLP — legal adviser to the Financial Advisers in respect of Dutch and U.S. law	0.925
Morgan Stanley & Co. International plc — Lead Financial Adviser	7.2
PricewaterhouseCoopers Inc. — Independent Auditors	2.8
Webber Wentzel — lead legal adviser to the Company and Naspers in respect of South African law	3.3
Other expenses and disbursements.....	1.1
Total.....	<u><u>43.3</u></u>

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) 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 Combined Carve-out Financial Statements;
- the independent auditor’s report on the Annual Combined Carve-out Financial Statements dated 23 August 2019;
- the Interim Combined Carve-out Financial Statements;

- the independent auditor's report on the Interim Combined Carve-out Financial Statements dated 23 August 2019;
- the Articles of Association (in Dutch, and an unofficial English translation); and
- the Board Charter (in English).

Incorporation by Reference

The Articles of Association (the official Dutch version and an English translation thereof) are incorporated in this Prospectus by reference and, as such, form part of this Prospectus. The Articles of Association can be obtained free of charge from the Company's website (www.newglobaltechgroup.com/en/materials/).

No Incorporation of Website

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

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.

2018 Foreign Investment Negative List	the Special Management Measures (Negative List) for the Access of Foreign Investment (2018) of the People's Republic of China
2020 Notes	the 6.000% unsecured notes issued by the Company in an aggregate principal amount of US\$1.0 billion, due 18 July 2020
2025 Notes	the 5.500% unsecured notes issued by the Company in an aggregate principal amount of US\$1.2 billion, due 21 July 2025
2027 Notes	the 4.850% unsecured notes issued by the Company in an aggregate principal amount of US\$1.0 billion, due 6 July 2027
A2X	A2X, a licensed exchange operated by A2X Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2014/147138/07
A Ordinary Shares	A1 Ordinary Shares and A2 Ordinary Shares
A1 Ordinary Shares	A1 ordinary shares in the authorised share capital of the Company with a nominal value of €0.05 each, carrying one vote per share, convertible to A2 Ordinary Shares upon Naspers making, or being obliged to make, a filing with the AFM that it ceases to be entitled to exercise at least 50% plus one vote out of the total number of voting rights that may be exercised at a General Meeting
A2 Ordinary Shares	A2 ordinary shares in the authorised share capital of the Company with a nominal value of €50 each, carrying 1,000 votes per share, convertible to A1 Ordinary Shares upon Naspers making, or being obliged to make, a filing with the AFM that it holds at least 50% plus one vote of the total number of voting rights that may be exercised at a General Meeting
A Share Distribution	the distribution by Naspers of A Ordinary Shares to Naspers A Shareholders through a <i>pro rata</i> distribution in kind for no consideration, in terms of Section 46 of the South African Companies Act
Admissions	the admission of the N Ordinary Shares to listing and trading on Euronext Amsterdam, and, as a secondary listing, on the Main Board of the JSE
Adevinta	Adevinta ASA, a company incorporated under the laws of Norway with registration number: 921 796226
AFM	the Netherlands Authority for the Financial Markets (<i>Stichting Autoriteit Financiële Markten</i>)
Alibaba	Alibaba Group Holding Limited, a company incorporated under the laws of the Cayman Islands with registration number: 90722
Allegro	Grupo Allegro Sp. z o.o., a company incorporated under the laws of Poland with registration number: 268769
Amazon	Amazon.com, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 2620453
Annual Combined Carve-out Financial Statements	the combined carve-out financial statements of the Group as of, and for, each of the years ended 31 March 2019, 2018 and 2017 and the related notes thereto
APMs	alternative performance measures
Articles of Association	the articles of association of the Company that will become effective on the Settlement Date, including any further amendments from time to time

Avito	Avito AB, a company incorporated under the laws of the Kingdom of Sweden with registration number: 556930-0485
AutoTrader South Africa	The Car Trader Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2013/115404/07
Bank of New York Mellon	The Bank of New York Mellon Corporation, a company incorporated under the laws of the State of Delaware, United States with registration number: 4299124
Board	the management board (<i>bestuur</i>) of the Company
Board Charter	the rules and regulations, allocating duties to one or more Directors and regulating any such subjects as the Board deems necessary and appropriate, as adopted by the Board
Brainly	Brainly, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5611196
BYJU'S	Think & Learn Private Limited, a company incorporated under the laws of India with registration number: U80903KA2011PTC061427
CAGR	compound annual growth rate
Capital Restructure	collectively, the A Share Distribution, the Capitalisation Issue and the Naspers A Share Capitalisation Issue
Capital Restructure Date	the date on which the final step of the Capital Restructure is implemented, which is expected to be on Tuesday, 17 September 2019
Capitalisation Issue	collectively, the Naspers M Share Capitalisation Issue and the Naspers N Share Capitalisation Issue
Carousell	Carousell Pte. Ltd., a company incorporated under the laws of Singapore with registration number: 201300296D
Ceneo	Ceneo Sp. z o.o., a company incorporated under the laws of Poland with registration number: 2493884
CFIUS	the Committee on Foreign Investment in the United States
CIPC	the South African Companies and Intellectual Property Commission
Citrus Pay	Citrus Payment Solutions Private Limited, a company incorporated under the laws of India with registration number: U74900MH2011PTC216800, which was merged with PayU Payments Private Limited, a company incorporated under the laws of India with registration number: U72400MH2006PTC293037
Codecademy	Ryzac, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 4989457
Combined Carve-out Financial Statements	collectively, the Interim Combined Carve-out Financial Statements and the Annual Combined Carve-out Financial Statements
Company	Myriad International Holdings N.V. (to be renamed Prosus N.V. with effect from the Settlement Date), a public company with limited liability (<i>naamloze vennootschap</i>) incorporated under the laws of the Netherlands with trade register number: 34099856
Company ADR	an American depository receipt, a certificate evidencing a specific number of Company ADSs
Company ADS	an American depository share representing an interest in an N Ordinary Share
Company ADS Facility	a facility for dealing in Company ADS operated by the Bank of New York Mellon
Company Notes	collectively, the 2020 Notes, the 2025 Notes and the 2027 Notes

Common Monetary Area	the common monetary area comprising the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini
Cross-border Settlement Agent	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
CSDP	a central securities depository participant in South Africa appointed by a shareholder for purposes of, and in relation to, dematerialisation, and to hold and administer securities or an interest in securities on behalf of a shareholder
Ctrip	Ctrip.com International, Limited, an exempted company incorporated under the laws of the Cayman Islands with registration number: 976668
Ctrip Transaction	subject to customary closing conditions, including obtaining the requisite regulatory approvals, the exchange of the Group's interest in MakeMyTrip for an interest in Ctrip.com International
Delivery Hero	Delivery Hero SE, a company incorporated with the laws of the European Union and registered with commercial register (<i>Handelsregister</i>) of the local court (<i>Amstgericht</i>) of Berlin (Charlottenburg), Germany under registration number: HRB 198015
Director	a member of the Board
Dubizzle	Dubizzle Limited (BVI), a company incorporated under the laws of the British Virgin Islands with registration number: 687058
Dutch Corporate Governance Code	the Dutch corporate governance code dated 8 December 2016 as established under Section 2:391, subsection 5 of the Dutch Civil Code
Dutch Civil Code	the Dutch Civil Code (<i>Burgerlijk Wetboek</i>)
Dutch FMSA	the Dutch Financial Supervision Act (<i>Wet op het financieel toezicht</i>)
Dutch FRSA	the Dutch Financial Reporting Supervision Act (<i>Wet toezicht financiële verslaggeving</i>)
Dutch Securities Transactions Act ..	the Dutch Act on Securities Transactions by Giro (<i>Wet giraal effectenverkeer</i>)
Dutch SRD Bill	the Dutch bill on the promotion of the long-term involvement of shareholders (<i>bevordering van de langetermijnbetrokkenheid van aandeelhouders</i>)
eBay	eBay Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 2871352
Elect or Election	the ability of Naspers N Shareholders, excluding Naspers ADS holders, to elect to participate in the Naspers N Share Capitalisation Issue in accordance with the terms and conditions set out in the Naspers Circular, instead of participating in the Naspers M Share Capitalisation Issue
eMAG	Dante International S.A., a company incorporated under the laws of Romania with registration number: J40/372/2002
Enterprise Chamber	the enterprise chamber of the court of appeal in Amsterdam (<i>Ondernemingskamer van het Gerechtshof te Amsterdam</i>), the Netherlands
EU Platform-to-Business Relationships Regulation	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
EURIBOR	Euro Interbank Offer Rate

Euroclear Nederland	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
Euronext Amsterdam	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
Euronext Amsterdam Investors	shareholders holding N Ordinary Shares trading on Euronext Amsterdam
Euronext Dublin Official List	the official list of Euronext Dublin
Euronext Listing and Paying Agent	ING Bank N.V., a company incorporated under the laws of the Netherlands with trade register number: 33031431
Extreme Digital	ED Group Asset Management Kft., a company incorporated under the laws of Hungary with registration number: 01-09-999402
Facebook	Facebook, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 3835815
Financial Adviser	each of Banca IMI S.p.A., Bank of America Merrill Lynch International DAC, Amsterdam Branch, Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, ICBC Standard Bank plc, ING Bank N.V., J.P. Morgan Securities plc and Morgan Stanley & Co. International plc
FinSurv	the Financial Surveillance Department of the SARB
First Trading Date	the date on which trading in the N Ordinary Shares on an “as-if-and-when-issued” basis on Euronext Amsterdam and the JSE commences, which is expected to be on or around Wednesday, 11 September 2019
FIRMA	the United States Foreign Investment Risk Review Modernization Act of 2018, as amended
Fiscal Year or FY	a fiscal year of the Company ended 31 March
Flipkart	Flipkart Private Limited (formerly, Flipkart Limited), a company incorporated under the laws of Singapore with registration number: 201129903N
Foreign Investment Law	the Foreign Investment Law of the PRC
Frankfurt Stock Exchange	the Frankfurt Stock Exchange, a regulated market operated by Deutsche Borse AG, a company incorporated with the commercial register (<i>Handelsregister</i>) of the local court (<i>Amstgericht</i>) of Frankfurt am Main, Germany under registration number: HRB 32232
Frontier Car Group	Frontier Car Group, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 6017417
GDP	gross domestic product
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council of 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
General Meeting	the general meeting (<i>algemene vergadering</i>) of the Company, being the corporate body, or where the context so requires, the physical meeting of shareholders of the Company
Google	Alphabet Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5786925

Global Exchange Market of Euronext Dublin	the Global Exchange Market of Euronext Dublin, an exchange regulated market operated by The Irish Stock Exchange plc (trading as Euronext Dublin), a company incorporated under the laws of the Republic of Ireland with registration number: 96429
Group	the Company and its consolidated subsidiaries
Group Code of Business Ethics and Conduct	the Group's code of business ethics and conduct, as amended
Heemstede Beleggings	Heemstede Beleggings Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 1995/010514/07
Hong Kong Stock Exchange	the Hong Kong Stock Exchange, a market operated by the Stock Exchange of Hong Kong Limited, a company incorporated under the laws of Hong Kong with registration number: 0083874
Honor	Honor Technology, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5606290
ibibo	Ibibo Group Holdings (Singapore) Pte. Ltd., a company incorporated under the laws of Singapore with registration number: 201229318W
iFood	iFood.com Agência de Restaurantes Online S.A., a company incorporated under the laws of Brazil with registration number: 33.479.023/0001-80
IFRS	International Financial Reporting Standards
IFRS-EU	IFRS as adopted by the European Union
IT	information technology
Interim Combined Carve-out Financial Statements	the combined carve-out financial statements of the Group as of 30 June 2019 and for the three-month periods ended 30 June 2019 and 2018 and the related notes thereto
iyzico	iyzi Ödeme ve Elektronik Para Hizmetleri A.Ş., a company incorporated under the laws of Turkey with registration number: 867612
iyzico Transaction	subject to customary closing conditions, including obtaining the requisite regulatory approvals, the Group's acquisition of iyzico
JSE	the Johannesburg Stock Exchange, a licensed exchange operated by JSE Limited
JSE Investors	shareholders holding N Ordinary Shares trading on the JSE
JSE Limited	JSE Limited, a company incorporated under the laws of South Africa with registration number: 2005/022939/06
JSE Listings Requirements	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
JSE Sponsor	Investec Bank Limited, a company incorporated under the laws of South Africa with registration number: 1925/002833/06
JSE Transfer Secretary	Computershare Investor Services Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2004/003647/07
Just Eat	Just Eat plc, a company incorporated under the laws of England and Wales, with registration number: 06947854
Keerom	Keeromstraat 30 Beleggings (RF) Limited, a company incorporated under the laws of South Africa with registration number: 1995/013914/06

Last Practicable Date	25 August 2019
Lead Independent Director	the lead independent director of the Board, as described under “ <i>Management, Employees and Corporate Governance—Board—Lead Independent Director</i> ”
letgo	Letgo Global B.V. (previously Ambatana Holdings B.V.), a company incorporated under the laws of the Netherlands with trade register number: 63292319
letgo USA	Letgo USA B.V., a company incorporated under the laws of the Netherlands with trade register number: 66256437
LIBOR	London Inter-bank Offered Rate
LinkedIn	LinkedIn Corporation, a company incorporated under the laws of the State of Delaware, United States with registration number: 3633019
London Stock Exchange	the London Stock Exchange, a regulated market operated by London Stock Exchange Group plc, a company incorporated under the laws of England and Wales with registration number: 05369106
LTIs	longer-term incentives
Mail.ru Group	Mail.ru Group Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 655058
MakeMyTrip	MakeMyTrip Limited, a company incorporated under the laws of Mauritius with registration number: 24478/5832
Market Abuse Regulation	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
MIH Holdings	MIH Holdings Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 1993/005613/07
MIH TC Holdings	MIH TC Holdings Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 1686618
Movile	Movile Internet Movel S.A., a company incorporated under the laws of Brazil with registration number: 35.300.379.128
Meesho	Meesho Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 6038527
MultiChoice	MultiChoice Group Limited, a company incorporated under the laws of South Africa with registration number: 2018/473845/06
MultiChoice Unbundling	the unbundling by Naspers of the shares it held in MultiChoice to its shareholders on 4 March 2019
N Ordinary Shares	the N ordinary shares in the capital of the Company with a nominal value of €0.05 each
Nasbel	Naspers Beleggings (RF) Limited, a company incorporated under the laws of South Africa with registration number: 1994/005106/06
NASDAQ	NASDAQ, a market operated by Nasdaq, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 882143
Naspers	Naspers Limited, a company incorporated under the laws of South Africa with registration number: 1925/001431/06
Naspers A Ordinary Shares	the A ordinary shares in the capital of Naspers with a nominal value of ZAR0.02 each
Naspers A Shareholders	the holders of Naspers A Ordinary Shares from time to time

Naspers A Share Capitalisation Issue	the capitalisation issue in terms of which Naspers will issue up to 173,671 Naspers A Ordinary Shares to Naspers A Shareholders as a capitalisation issue in terms of Section 47 of the South African Companies Act and Article 14 of the Naspers Memorandum of Incorporation, on a <i>pro rata</i> basis to Naspers A Shareholders on the shareholders' register on the Record Date, to be implemented as a result of, the issue of Naspers N Ordinary Shares pursuant to the Naspers N Share Capitalisation Issue
Naspers ADS	an American depository share representing an interest in a Naspers N Ordinary Share
Naspers Board	the board of directors of Naspers
Naspers Circular	the document dispatched by Naspers to its shareholders in relation to the extraordinary general meeting of Naspers shareholders held on 23 August 2019, dated 19 July 2019
Naspers Group	Naspers and its consolidated subsidiaries
Naspers M Ordinary Shares	the M ordinary shares proposed to be created in the share capital of Naspers which, in accordance with the terms attaching to the Naspers M Ordinary Shares, will, among other things, entitle the holder of each Naspers M Ordinary Share to be issued one N Ordinary Share in exchange for contributing such Naspers M Ordinary Share held to the Company
Naspers M Share Capitalisation Issue	the capitalisation issue in terms of which Naspers will issue up to 438,656,059 Naspers M Ordinary Shares to Naspers N Shareholders as a capitalisation issue in terms of Section 47 of the South African Companies Act and Article 14 of the Naspers Memorandum of Incorporation, with each such Naspers N Shareholder being entitled to be issued one Naspers M Ordinary Share for each Naspers N Share held on the Record Date
Naspers Memorandum of Incorporation	the memorandum of incorporation of Naspers, as amended
Naspers N Ordinary Shares	the N ordinary shares in the capital of Naspers with a nominal value of ZAR0.02 each
Naspers N Shareholders	the holders of Naspers N Ordinary Shares from time to time
Naspers N Share Capitalisation Issue	the capitalisation issue in terms of which Naspers will and in accordance with the Election made by Naspers N Shareholders, issue as a capitalisation issue in terms of Section 47 of the South African Companies Act and Article 14 of the Naspers Memorandum of Incorporation, up to 61,343,941 Naspers N Ordinary Shares to Naspers N Shareholders that have made an Election, with each such Naspers N Shareholder being entitled to be issued 0.36986 Naspers N Ordinary Shares for each Naspers M Ordinary Share to which such Naspers N Shareholder would otherwise have been issued in terms of the Naspers M Share Capitalisation Issue on the Record Date
Naspers Shares	collectively, the Naspers A Ordinary Shares and Naspers N Ordinary Shares
Netretail	Netretail Holding B.V., a company incorporated under the laws of the Netherlands with trade register number: 34289200
Non-IFRS Measures	non-IFRS financial measures
OfferUp	OfferUp Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5362968
OLX Group	OLX B.V., a company incorporated under the laws of the Netherlands with trade register number: 34243234

PayPal	PayPal Holdings, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5684361
PaySense	PaySense Services India Private Limited, a company incorporated under the laws of India with registration number: U74999MH2015PTC266824
PayU	PayU Global B.V., a company incorporated under the laws of the Netherlands with trade register number: 60355883
PayU Poland	PayU S.A., a company incorporated under the laws of Poland with registration number: 274399
PFIC	foreign investment company
Plans	collectively, Share Option Plan and Share Award (RSU/PSU) Plan
Pre-emptive Rights Agreement	the pre-emptive rights agreement entered into between Nasbel and Keerom
Prospectus	this prospectus and, for JSE-purposes, pre-listing statement dated Monday, 26 August 2019
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of the European Union of 14 June 2017
Protection Structure	the protection structure of the Company, as described under “ <i>Shareholder Structure and Related Party Transactions—Protection Structure—Company Protection Structure</i> ”
PSD2	Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market
PSUs	performance share units
PwC	PricewaterhouseCoopers Inc., a company incorporated under the laws of South Africa with registration number: 1998/012055/21
Record Date	Friday, 13 September 2019 or such other date as the Naspers Board may announce on SENS to be the Record Date in respect of the Capitalisation Issue, the Naspers A Share Capitalisation Issue and the A Share Distribution
Red Dot Payment	Red Dot Payment Pte. Ltd., a company incorporated under the laws of Singapore with registration number: 201120797R
Reference Date	the date of the last issuance of A Ordinary Shares
Restructuring	the acquisition by the Company of the issued share capital of MIH Services FZ LLC and Myriad International Holdings Asia B.V. from MIH Holdings in consideration for which the Company issued A Ordinary Shares and N Ordinary Shares to MIH Holdings
Remitly	Remitly, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5051455
Revolving Credit Facility	the Group’s US\$2.5 billion multi-currency revolving credit facility
RSUs	restricted stock units
SARB	the South African Reserve Bank
SARs	share appreciation rights
Schibsted	Schibsted ASA., a company incorporated under the laws of Norway with registration number: 933739384
SEC	U.S. Securities and Exchange Commission

Senior Management	the executive Directors together with the non-statutory members of the Company’s senior management
SENS	the JSE’s Stock Exchange News Service
Settlement	the delivery of the N Ordinary Shares under the Naspers M Share Capitalisation Issue
Settlement Date	the date on which Settlement occurs, which is expected to be on or around Monday, 16 September 2019
Shares	collectively, A Ordinary Shares and N Ordinary Shares
SinDelantal	El Cocinero a Cuerda S.L., a company incorporated under the laws of Spain with registration number: B86509452
SimilarWeb	SimilarWeb Limited, a company incorporated under the laws of Israel with registration number: 514244714
SIRs	“ <i>significant informational resources</i> ” as contemplated in the SIR Bill
SIR Bill	the draft Russian law on amendments to the Information Law and the Personal Data Law
SOs	share options
SoloLearn	SoloLearn Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 5356040
Souq	Souq Group Limited, a company incorporated under the laws of the British Virgin Islands with registration number: 1732266
South African A Ordinary Shareholders	South African holders of A Ordinary Shares
South African Companies Act	the South African Companies Act, 71 of 2008, as amended, together with the regulations promulgated under it
South African Exchange Control Regulations	the Exchange Control Regulations of South Africa issued under the South African Currency and Exchanges Act, 9 of 1933, as amended
South African FAIS Act	the South African Financial Advisory and Intermediary Services Act, 37 of 2002, as amended
South African Financial Markets Act	the South African Financial Markets Act, 19 of 2012, as amended
South African King Code	the King Report on Corporate Governance for South Africa, 2016
STIs	short-term incentives
Strate	Strate Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 1998/022242/07
Strate System	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
Structure Contracts	the contractual arrangements Tencent exercises effective control over certain domestic Chinese companies that are licensed to operate value-added services to users in China
Swiggy	Bundl Technologies Private Limited, a company incorporated under the laws of India with registration number: U72200KA2013PTC096530
Telenor	Telenor ASA, a company incorporated under the laws of the Kingdom of Norway with registration number: 982463718

Tencent	Tencent Holdings Limited, a company incorporated in the British Virgin Islands and subsequently redomiciled to the Cayman Islands as an exempted company under the laws of the Cayman Islands with registration number: 131312
Transaction	collectively, the Capital Restructure and the Admissions
Udemy	Udemy, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 4779344
UK FSMA	the UK Financial Services and Markets Act 2000, as amended
UK Official List	the official list of the UK Financial Conduct Authority
U.S. Federal Reserve Board	the Board of Governors of the Federal Reserve System of the United States
U.S. Exchange Act	the U.S. Securities Exchange Act of 1934, as amended
U.S. Securities Act	the U.S. Securities Act of 1933, as amended
Voting Pool Agreement	the voting pool agreement entered into between Nasbel and Keerom
Walmart	Walmart, Inc., a company incorporated under the laws of the State of Delaware, United States with registration number: 732109
Wallapop	Wallapop S.L., a company incorporated under the laws of Spain with registration number: B66049057
WeBuyCars	We Buy Cars Proprietary Limited, a company incorporated under the laws of South Africa with registration number: 2015/130772/07
Wibmo	Wibmo Inc., a company incorporated under the laws of the State of California, United States with registration number: C2077047
Zooz	Zooz Mobile Limited, a company incorporated under the laws of Israel with registration number: 514473248

GLOSSARY

Technical Terms

app	a software application designed to run on a mobile device
B2C	business-to-consumer. B2C refers to business or transactions conducted directly between a company and consumers who are the end users of its products or services
C2C	consumer-to-consumer. C2C refers to business or transactions conducted directly between consumers of certain products or services
etail	electronic retail
fintech	financial technology
horizontal s	marketplaces that cover all categories (also called generalists)
hyperlocal	relating to, or focusing on, matters concerning a small community or geographical area
MMO	massively multiplayer online
monetisation	driving revenue growth by capturing value from services offered to customers and transactions by customers in the Group's marketplaces
PC	a personal computer and generally refers to a computer designed for use by one person at a time
PSP	a payment service provider
vertical s	marketplaces that cater to a specific category, automotive, real estate, jobs and services
TSP	a technology system provider

Countries and Jurisdictions

Argentina	the Argentine Republic
Australia	the Commonwealth of Australia
Bangladesh	the People's Republic of Bangladesh
Bermuda	the Islands of Bermuda
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
Chile	the Republic of Chile
China or the PRC	the People's Republic of China
Colombia	the Republic of Colombia
European Union or the EU	the European Union, being the union of countries established by the Treaty on the Functioning of the European Union, originally named the Treaty establishing the European Community (signed in Rome on 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)
France	the French Republic
Hong Kong	the Hong Kong Special Administrative Region of China

India	the Republic of India
Israel	the State of Israel
Japan	the State of Japan
Mauritius	the Republic of Mauritius
Mexico	the United Mexican States
Netherlands	the Netherlands
Panama	the Republic of Panama
Peru	the Republic of Peru
Philippines	the Republic of the Philippines
Poland	the Republic of Poland
Portugal	the Portuguese Republic
Russia	the Russian Federation
South Africa	the Republic of South Africa
South Korea	the Republic of Korea
Spain	the Kingdom of Spain
Switzerland	the Swiss Confederation
Thailand	the Kingdom of Thailand
Turkey	the Republic of Turkey
UAE	the United Arab Emirates
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

ANNUAL COMBINED CARVE-OUT FINANCIAL STATEMENTS

Combined Statement of Financial Position

as at 31 March 2019, 2018 and 2017

	Notes	31 March		
		2019 US\$'m	2018 US\$'m	2017 US\$'m
ASSETS				
Non-current assets				
Property, plant and equipment	3	143	96	55
Goodwill	4	2 035	2 181	2 147
Other intangible assets	5	794	958	1 038
Investments in associates	7	19 746	16 669	10 691
Investments in joint ventures	8	95	74	66
Investments and loans	9	47	62	49
Other receivables	13	6	21	32
Derivative financial instruments	36	1	1	-
Deferred taxation	10	14	25	24
Current assets				
Inventory	11	148	139	94
Trade receivables	12	135	169	138
Other receivables	13	496	348	213
Related party loans and receivables	15	19	26	24
Derivative financial instruments	36	-	2	-
Short-term Investments	33	7 037	-	-
Cash and cash equivalents	34	2 131	10 809	3 209
		9 966	11 493	3 678
Assets classified as held for sale	14	16	-	102
TOTAL ASSETS		32 863	31 580	17 882
EQUITY AND LIABILITIES				
Capital and reserves attributable to the group's equity holders				
Net parent investment		27 345	23 307	11 845
Other reserves	16	(228)	775	(591)
Non-controlling interests				
		132	274	319
TOTAL EQUITY		27 249	24 356	11 573
Non-current liabilities				
Long-term liabilities	17	3 244	3 216	2 198
Other non-current liabilities	18	540	869	1 710
Related party loans and payables	15	2	4	5
Cash-settled share-based payment liabilities	38	36	37	28
Provisions	19	3	6	5
Derivative financial instruments	36	33	123	2
Deferred taxation	10	176	205	228
Current liabilities				
Current portion of long-term debt	17	22	68	723
Provisions	19	14	23	20
Trade payables		244	290	254
Accrued expenses and other current liabilities	20	1 237	2 343	1 088
Related party loans and payables	15	37	27	22
Taxation payable		13	11	4
Derivative financial instruments	36	3	1	22
Bank overdrafts	34	8	1	-
		1 578	2 764	2 133
Liabilities classified as held for sale	14	2	-	-
TOTAL EQUITY AND LIABILITIES		32 863	31 580	17 882

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined Income Statement

for the years ended 31 March 2019, 2018 and 2017

	Notes	31 March		
		2019 US\$'m	2018 US\$'m	2017 US\$'m
Continuing operations				
Revenue from contracts with customers	22	2 654	2 303	1 835
Cost of providing services and sale of goods	23	(1 596)	(1 384)	(1 136)
Selling, general and administration expenses	23	(1 436)	(1 507)	(1 492)
Other (losses)/gains - net	24	(40)	(27)	(25)
Operating loss		(418)	(615)	(818)
Interest income	25	265	34	17
Interest expense	25	(200)	(195)	(200)
Other finance income/(costs) - net	25	114	(330)	(638)
Share of equity-accounted results	7, 8	3 408	3 292	1 857
(Impairment)/reversal of impairment of equity-accounted investments	7, 8	(88)	(46)	1
Dilution (losses)/gains on equity-accounted investments	7, 8	(182)	9 224	(119)
Net gains on acquisitions and disposals	26	1 610	30	249
Profit before taxation		4 509	11 394	349
Taxation	27	(258)	(39)	(11)
Profit from continuing operations		4 251	11 355	338
Profit from discontinued operations	28	-	-	2 062
Profit for the year		4 251	11 355	2 400
Attributable to:				
Equity holders of the group		4 307	11 485	2 606
Non-controlling interests		(55)	(130)	(206)
		4 252	11 355	2 400

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined Statement of Comprehensive Income

for the years ended 31 March 2019, 2018 and 2017

	Note	31 March		
		2019 US\$'m	2018 US\$'m	2017 US\$'m
Profit for the year		4 251	11 355	2 400
Other comprehensive income⁽¹⁾				
Foreign currency translation reserve		(1 621)	700	95
Exchange (loss)/gain arising on translating the net assets of foreign operations		(1 621)	700	95
Fair-value gains	16	9	1	-
Fair-value gains on financial assets at fair value through other comprehensive income ⁽²⁾		9	1	-
Share of equity-accounted investments' direct reserve movements		918	834	1 293
Share-based compensation reserve		395	361	292
Valuation reserve ⁽³⁾	16	344	400	805
Valuation reserve reclassified to the income statement ⁽³⁾	16	-	(106)	-
Foreign currency translation reserve		179	179	196
Total other comprehensive income, net of tax, for the year		(694)	1 535	1 388
Total comprehensive income for the year		3 557	12 890	3 788
Attributable to:				
Equity holders of the group		3 657	13 013	3 965
Non-controlling interests		(100)	(123)	(177)
		3 557	12 890	3 788

⁽¹⁾ All components of other comprehensive income may subsequently be reclassified to profit or loss except for fair value gains of US\$9.0m and gains of US\$752.4m (2018: US\$361.4m and 2017: US\$291.9m) included in the share of equity accounted investments' direct reserve movements.

⁽²⁾ Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and Measurements. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

⁽³⁾ Relates to fair value changes on financial assets at fair value through other comprehensive income (previously referred to as available-for-sale investments) of equity accounted investments. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined Statement of Changes in Equity

for the years ended 31 March 2019, 2018 and 2017

	Net parent invest- ment ⁽¹⁾ US\$'m	Foreign currency trans- lation reserve US\$'m	Valuatio reserve US\$'m	Existing control business combi- nation reserve US\$'m	Share- based compen- sation reserve US\$'m	Share- holders' funds US\$'m	Non- control- ling interest US\$'m	Total US\$'m
Balance at 1 April 2018	23 307	(73)	1 565	(2 014)	1 297	24 082	274	24 356
Change in accounting policy (refer to note 1)	838	-	(838)	-	-	-	-	-
Restated balances at 1 April 2018	24 145	(73)	727	(2 014)	1 297	24 082	274	24 356
Contribution from/(distribution to) parent ⁽¹⁾	(702)	-	-	-	-	(702)	-	(702)
Total comprehensive income for the year	4 307	(1 397)	353	-	395	3 658	(100)	3 558
Profit for the year	4 307	-	-	-	-	4 307	(55)	4 252
Total other comprehen- sive income for the year	-	(1 397)	353	-	395	(649)	(45)	(694)
Share-based compensation movement	-	-	-	-	41	41	2	43
Transactions with non- controlling shareholders	(889)	-	-	927	-	38	(28)	10
Direct retained earnings and other movements	484	-	(439)	-	(45)	-	-	-
Dividends	-	-	-	-	-	-	(16)	(16)
Balance at 31 March 2019	27 345	(1 470)	641	(1 087)	1 688	27 117	132	27 249

⁽¹⁾ The contribution from/(distribution to) parent line item is a net figure comprising net asset value contributions (i.e. inflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that have been incorporated into the combined carve-out financial statements. The line item also includes net asset value distributions (i.e. outflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that do not form part of the combined carve-out financial statements. The movements for the year include funding that is cash in nature of US\$171.3m with the balance being represented by non-cash net asset value movements related to businesses and other assets that do not form part of these combined carve-out financial statements.

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined Statement of Changes in Equity

for the years ended 31 March 2019, 2018 and 2017

	Net parent invest- ment ⁽¹⁾ US\$'m	Foreign currency trans- lation reserve US\$'m	Valuatio reserve US\$'m	Existing control business combi- nation reserve US\$'m	Share- based compen- sation reserve US\$'m	Share- holders' funds US\$'m	Non- control- ling interest US\$'m	Total US\$'m
Balance at 1 April 2016	9 047	(1 263)	456	(1 884)	815	7 171	315	7 486
Contribution from/(distribution to) parent ⁽¹⁾	(173)	-	-	-	-	(173)	-	(173)
Total comprehensive income for the year	2 606	262	805	-	292	3 965	(177)	3 788
Profit for the year	2 606	-	-	-	-	2 606	(206)	2 400
Total comprehensive income for the year	-	262	805	-	292	1 359	29	1 388
Share-based compensation movement	-	-	-	-	47	47	3	50
Transactions with non-controlling shareholders	-	-	-	244	-	244	192	436
Foreign exchange movements on equity reserves	-	(10)	10	-	-	-	-	-
Direct retained earnings and other movements	365	65	-	(228)	(202)	-	-	-
Dividends	-	-	-	-	-	-	(14)	(14)
Balance at 31 March 2017	11 845	(946)	1 271	(1 868)	952	11 254	319	11 573
Balance at 1 April 2017	11 845	(946)	1 271	(1 868)	952	11 254	319	11 573
Contribution from/(distribution to) parent ⁽¹⁾	(79)	-	-	-	-	(79)	-	(79)
Total comprehensive income for the year	11 485	873	294	-	361	13 013	(123)	12 890
Profit for the year	11 485	-	-	-	-	11 485	(130)	11 355
Total other comprehensive income for the year	-	873	294	-	361	1 528	7	1 535
Share-based compensation movements	-	-	-	-	71	71	-	71
Transactions with non-controlling shareholders	-	-	-	(146)	-	(146)	102	(44)
Direct retained earnings and other movements	56	-	-	-	(87)	(31)	-	(31)
Dividends	-	-	-	-	-	-	(24)	(24)
Balance at 31 March 2018	23 307	(73)	1 565	(2 014)	1 297	24 082	274	24 356

⁽¹⁾ The contribution from/(distribution to) parent line item is a net figure comprising net asset value contributions (i.e. inflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that have been incorporated into the combined carve-out financial statements. The line item also includes net asset value distributions (i.e. outflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that do not form part of the combined carve-out financial statements. The movements for the year include funding that is cash in nature of US\$167.4m (2017: US\$243.1m) with the balance being represented by non-cash net asset value movements related to businesses and other assets that do not form part of these combined carve-out financial statements.

The accompanying notes are an integral part of these combined carve-out financial statements.

Combined Statement of Cash Flows

for the years ended 31 March 2019, 2018 and 2017

	Notes	31 March		
		2019 US\$'m	2018 US\$'m	2017 US\$'m
Cash flows from operating activities				
Cash from operations	29	(268)	(311)	(353)
Dividends received from investments and equity-accounted companies		343	248	192
Cash generated from/(utilised in) operating activities				
Interest income received		198	33	17
Interest costs paid		(202)	(180)	(201)
Taxation paid		(94)	(69)	(61)
Net cash utilised in operating activities				
Cash flows from investing activities				
Property, plant and equipment acquired		(90)	(65)	(42)
Proceeds from sale of property, plant and equipment		1	4	1
Intangible assets acquired		(11)	(8)	(13)
Proceeds from sale of intangible assets		-	-	1
Acquisitions of subsidiaries and businesses, net of cash acquired	30	(102)	(39)	(140)
Disposals of subsidiaries and businesses	31	17	-	3 358
Acquisition of associates	32	(544)	(707)	(216)
Additional investment in existing associates	32	(733)	(1 217)	(15)
Partial disposals of associates		4	9 763	-
Disposal of associates	2	1 930	-	-
Acquisition of joint ventures	32	-	-	(12)
Additional investments in existing joint ventures	32	(18)	(17)	(14)
Disposal of joint ventures		34	138	-
Acquisition of short-term investments ⁽¹⁾		(6 967)	-	-
Cash movement in other investments and loans		(2)	(6)	(3)
Net cash (utilised in)/generated from investing activities				
Cash flows from financing activities				
Proceeds from long- and short-term loans raised		62	1 013	428
Repayments of long- and short-term loans		(51)	(706)	(413)
Proceeds from related party funding and contributions/(distributions) from parent		181	239	339
Repayments of related party funding and contributions/(distributions) from parent		(754)	(410)	(579)
Additional investments in existing subsidiaries	2	(1 603)	(98)	(103)
Repayments of capitalised finance lease liabilities		(1)	(1)	(1)
Transactions with non-controlling shareholders		58	(43)	102
Dividends paid by subsidiaries to non-controlling shareholders		(16)	(25)	(15)
Net cash utilised in financing activities				
Net movement in cash and cash equivalents				
Foreign exchange translation adjustments on cash and cash equivalents		(57)	63	(10)
Cash and cash equivalents at the beginning of the year		10 808	3 209	962
Cash and cash equivalents at the end of the year				
	34	2 123	10 808	3 209

⁽¹⁾Relates to short-term cash investments with maturities of more than three months from the date of acquisition. Refer to note 33 for further details.

The accompanying notes are an integral part of these combined carve-out financial statements.

Cash flow information related to the 2017 financial year includes cash flows associated with discontinued operations.

Notes to the Combined Carve-out Financial Statements

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES

Description of the business

The Combined Carve-out Financial Statements of the Prosus Group consist of the international ecommerce and internet business of Naspers Limited (**Naspers**), representing the activities, assets and liabilities of the underlying ecommerce businesses, social and internet platforms as well as various associated corporate activities. Prosus Group's business was historically conducted through separate legal entities engaged in internet services and ecommerce (in particular, classifieds, payments and fintech, food delivery, etail and travel), delivering services in a variety of forms and through a variety of platforms. This combination of economic activities is referred to as **Prosus Group** (or the **group**) in these Combined Carve-out Financial Statements. The Prosus Group excludes the historic results of certain of Naspers' video-entertainment business as well as the South African ecommerce businesses (mainly Takealot).

The Prosus Group historically did not exist as a reporting group and no separate (statutory) consolidated financial statements were therefore prepared. For the purpose of the evaluation of the historical financial performance of the Prosus Group and in preparation for the listing of the Prosus Group, Prosus Group Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017, have been prepared.

The Prosus Group is a global internet group and one of the largest technology investors. It runs some of the world's leading platforms and is currently organised into nine segments:

- Ecommerce business comprising the following segments:
 - Classifieds
 - Payments and fintech
 - Food delivery
 - Etail
 - Travel
 - Other ecommerce
- Social and internet platforms business comprising the following segments:
 - Tencent
 - Mail.ru
- Corporate

Formation of the Prosus Group

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

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

Prosus N.V. is a company headquartered in The Netherlands. The registered office of Prosus N.V. is Taurusavenue 105 in Hoofddorp, The Netherlands. Prosus N.V., previously called Myriad International Holdings B.V., was converted to a public liability company on 16 May 2019.

Notes to the Combined Carve-out Financial Statements

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Description of the business (continued)

Formation of the Prosus Group (continued)

For reporting for periods beginning on 1 April 2019, Prosus N.V. as the legal parent of the group will prepare consolidated financial statements based on applicable Dutch and European Union law, including relevant comparative financial information, which will be different in comparison with these Combined Carve-out Financial Statements. In those consolidated financial statements for the 2020 financial year (including comparatives), the income statement will not include certain corporate allocations. Also, these consolidated financial statements will include the assets and liabilities, income statement and cash flows of certain businesses of the video-entertainment business until its disposal at 28 September 2018.

Basis of preparation

IFRS compliance

The Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017, have been prepared in accordance with, and comply, in all material respects, with International Financial Reporting Standards as adopted by the European Union (**IFRS-EU**) on a combined basis (the **Combined Carve-out Financial Statements**). The Combined Carve-out Financial Statements have been derived from the consolidated financial statements of Naspers Limited for the years ended 31 March 2019, 2018 and 2017, which have been prepared in accordance with International Financial Reporting Standards (**IFRS**) and interpretations of those standards as issued by the International Accounting Standards Board (**IASB**). All standards and interpretations issued by the IASB and the IFRS Interpretations Committee effective for the 2019 fiscal year have been endorsed by the European Union, except that the European Union did not adopt some of the paragraphs of IAS 39 applicable to certain hedge transactions. The Prosus Group has no hedge transactions to which these paragraphs are applicable.

All IFRSs for which application was mandatory in the European Union for the fiscal year 2019 have been consistently applied for each of the years ended 31 March 2019, 2018 and 2017, with the exception of IFRS 9, which was adopted on a modified retrospective basis at 1 April 2018.

IFRS-EU provides no guidance for the preparation of combined carve-out financial statements, which are therefore subject to IAS 8.12. This paragraph requires consideration of the most recent pronouncements of other standard-setting bodies, other financial reporting requirements and recognised industry practices. In the Combined Carve-out Financial Statements of the Prosus Group, the predecessor accounting approach has been applied in accordance with the common practice for the accounting for business combinations under common control in combined financial statements. This means that the assets, liabilities, income and expenses of the economic activities included in the Combined Carve-out Financial Statements correspond to the historically reported amounts in the consolidated financial statements of Naspers Limited (predecessor values).

The Combined Carve-out Financial Statements have been prepared under the historical cost convention, except for certain financial instruments (including derivative instruments) and cash-settled share-based payment schemes stated at fair value.

The Combined Carve-out Financial Statements have been prepared on a going concern basis.

The Combined Carve-out Financial Statements have been authorised for issue on 22 August 2019 by the Board of Directors of Prosus N.V. (currently named Myriad International Holdings N.V.).

Scope of combination

The Combined Carve-out Financial Statements have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Prosus Group on a stand-alone basis, as explained in the section on Basis of combination below, in a Prospectus drawn up in relation to the admission to listing and trading of the ordinary shares in the share capital of the Company on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V. (Euronext Amsterdam).

Notes to the Combined Carve-out Financial Statements

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Limitations inherent to carve-out

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

Basis of combination

The Prosus Group combines the international ecommerce and internet business as reported by the Naspers Limited Group with certain other assets and liabilities and income and expense, which are directly attributed to the Prosus Group from the Naspers Limited Corporate segment. During the periods presented, the Prosus Group functioned as part of the larger group of companies controlled by Naspers Limited and accordingly, Naspers Limited performed certain corporate overhead services for the international ecommerce and internet business. These services include, but are not limited to, executive oversight, information management, legal, treasury, control and accounting, human resources, taxes and investor relations.

As of 31 March 2019, the international ecommerce and internet business was conducted through 241 dedicated legal entities, combined with other Naspers corporate entities, which provided various corporate functions and activities to the Prosus Group. In addition, the international ecommerce and internet business also includes the activities conducted through 40 equity-accounted investments.

On 28 September 2018, Naspers Limited restructured its video-entertainment business before separately listing this business on 27 February 2019 on the Johannesburg Stock Exchange and simultaneously unbundling its shares in this business. Certain legal entities, which related to the sub-Saharan African video-entertainment business, were part of the Prosus Group prior to the restructuring, in particular the Multichoice Africa Group, Irdeto and Showmax B.V. As these entities were restructured and are not part of the Prosus Group going forward, the assets, liabilities, income and expenses of these entities have been excluded from the Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017. Similarly, the Showmax Poland business was closed and liquidation procedures commenced prior to 31 March 2019. As this business is not part of the Prosus Group going forward, the assets, liabilities, income and expenses of this entity has been excluded from the Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017.

The assets and liabilities of the Ming He business were contributed subsequent to 31 March 2019, however, for purposes of reflecting the Prosus Group, the assets and liabilities of Ming He have been included in the Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017.

Intragroup transactions, balances and unrealised gains and losses on transactions within the Prosus Group have been eliminated. Transactions between Naspers and the Prosus Group are recognised in accordance with IFRS and disclosed as related party transactions. The Combined Carve-out Financial Statements reflect all material transactions between the Prosus Group and Naspers. For details of such transactions with Naspers and subsidiaries under common control, refer to Note 15 – Related party transactions.

Notes to the Combined Carve-out Financial Statements

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Combined Income Statements and Statements of Comprehensive Income

The Combined Income Statements and Statements of Comprehensive Income of the Prosus Group reflect income and expenses of the international internet and ecommerce business combined with certain Naspers corporate expenses that have been directly attributed or allocated to international ecommerce and internet business.

Corporate overhead services related to the international ecommerce and internet business are included in the Combined Carve-out Financial Statements based on specific identification or have been allocated based on the share of Prosus Group segment revenue as a proportion of Naspers segment revenue, if no specific identification was possible. The Prosus Group considered a range of allocation keys and considers segment revenues to be the most appropriate. The basis for assumptions and estimates made with regard to the allocation of expenses were consistently applied in each reporting period. Corporate expenses for the Prosus Group were determined as follows:

Allocation basis	2019 US\$'m	2018 US\$'m	2017 US\$'m
Corporate costs included in Prosus Group	156.4	146.1	109.2
Additional corporate costs allocated to Prosus Group	11.7	14.5	6.1
Total	168.1	160.6	115.3

Management believes the allocation methods applied in the Combined Carve-out Financial Statements to be a reasonable reflection of the utilisation of services provided by Naspers and the historical cost of doing business. It is, however, not necessarily indicative of the future cost structure of the Prosus Group.

Combined Statements of Financial Position

The combined assets and liabilities of the Prosus Group include the assets and liabilities previously reported as part of the international ecommerce and internet business.

Combined Statements of Cash Flows

The Combined Statements of Cash Flows of the Prosus Group have been prepared using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. Amounts for cash, cash equivalents and debt are reflected in the Combined Carve-out Financial Statements only for those activities of the Prosus Group that operated or existed in separate dedicated Prosus Group legal entities, during the periods presented in the Combined Carve-out Financial Statements.

Segments

The Prosus Group will have the same governance structures as Naspers. It will have the same board and management oversight, including the same individuals comprising the chief operating decision maker (the CODM). Accordingly, the CODM for Naspers will be the same CODM for the Prosus Group (refer to note 35). The segments of the Prosus Group will be the same as that previously reported on by Naspers, excluding the ecommerce businesses in South Africa as well as the video-entertainment and media businesses, which do not form part of the Prosus Group.

As the Prosus Group comprises the majority of Naspers (post the video-entertainment business unbundling), the CODM of the Prosus Group will review the same management information as the Naspers group CODM.

Notes to the Combined Carve-out Financial Statements

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Income tax

Prosus Group management determines the income tax positions and expense for each of the legal entities' tax jurisdictions in which they operate. This involves the allocation of the actual current tax exposures and provisions as well as assessing temporary and permanent differences.

Prosus Group legal entities file separate tax returns on a standalone basis for the respective legal entities for the majority of its jurisdictions. In addition, the Dutch Prosus Group entities, which are at least 95% owned, file a single tax return through a fiscal unity arrangement, under which the tax return is filed for the entities as a whole. For the purpose of the Combined Carve-out Financial Statements, income taxes are computed and reported using the separate return method. Under this method, the carve-out entity calculates its tax provision as if it was filing its own separate tax return based on the pre-tax accounts of each legal entity included in the Combined Carve-out Financial Statements.

Goodwill

The goodwill included in the Combined Carve-out Financial Statements is related to prior acquisitions of companies or businesses within the Prosus Group. During the reporting periods presented, goodwill was tested for impairment at the business unit level, being a group of cash-generating units used at that time by the Naspers Limited Group to monitor goodwill. The business unit level was determined to also be the appropriate level for testing of goodwill for impairment for the Prosus Group.

Owner's net investment and funding structure

The Prosus Group uses a central funding model, which includes three corporate bonds and a syndicated bank revolving credit facility. Naspers Limited guarantees the corporate bonds and syndicated revolving credit facility. Furthermore, a limited number of intercompany loan positions existed between Prosus Group and its owner, Naspers Limited. The balances with Naspers Limited (including intercompany loans) are presented as related party balances. Intercompany current accounts that have an operational nature are settled on a regular basis in line with normal credit terms.

There are also a limited number of intercompany loan positions between Prosus Group and its former subsidiaries in the video-entertainment business which were settled in the 2019 financial year.

The funding structure is therefore largely representative of the financing that would have been reported, had the Prosus Group operated on its own or as an entity independent from Naspers Limited during the periods presented. The capital structure of Prosus N.V. at the time of the listing is expected to differ from the capital structure presented in the Combined Carve-out Financial Statements.

Dividends

Historically, the dividends paid by Naspers Limited have not been funded by the Prosus Group. Naspers' declared dividends were primarily funded by the South African video-entertainment business.

Notes to the Combined Carve-out Financial Statements

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Share-based compensation

Naspers Limited grants share options, share appreciation rights (SARs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The share-based compensation expenses for each of the financial years ended 31 March 2019, 2018 and 2017 which relate to those plans associated with the employees within the Prosus Group are reflected in these Combined Carve-out Financial Statements. For details of these plans, refer to Note 38 – Equity compensation benefits.

Share option awards which are settled via the Naspers share trusts and all RSU awards are considered to be equity-settled share-based payment arrangements as the share trusts are the grantors of the awards and accordingly, although employee services are received at the individual Prosus Group entities, the Prosus Group does not have an obligation to settle awards with employees. The share-based payment expenses are recognised by the various employer entities that receive the services from the employees.

There are also share option schemes that are settled in Naspers shares, but classified as cash-settled share-based payment arrangements by the Prosus Group as the shares required to settle relevant liability are not Prosus Group shares. In addition, certain of the entities have share option schemes that are settled in their own shares. These schemes are classified as equity-settled payment arrangements in the Prosus Group.

All SAR awards that are to be settled in cash or in Naspers shares are accounted for as cash-settled share-based payment arrangements. Where SAR schemes' awards are settled in equity instruments of subsidiaries of the Prosus Group or are awards where the Prosus Group has no obligation to settle (i.e. another entity in the Naspers group will settle the awards), these schemes are classified as equity settled share-based payment arrangements.

Subsequent events

The Naspers Limited consolidated annual financial statements, from which these Combined Carve-out Financial Statements were derived, were authorised for issue on 21 June 2019. Subsequent events have been considered from 31 March 2019 up to the date that these Combined Carve-out Financial Statements were authorised for issuance.

Earnings per share

The information on earnings per share for the Prosus Group pursuant to IAS 33 has not been presented, as no capital structure has been presented in the Combined Carve-out Financial Statements.

Notes to the Combined Carve-out Financial Statements

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Basis of preparation (continued)

Accounting judgements and sources of estimation uncertainty

The preparation of the combined annual financial statements necessitates the use of estimates, assumptions and judgements by management. These estimates and assumptions affect the reported amounts of assets, liabilities and contingent assets and liabilities at the statement of financial position date as well as the reported income and expenses for the year. Although estimates are based on management's best knowledge and judgement of current facts as at the statement of financial position date, the actual outcome may differ from these estimates.

Estimates are made regarding the fair value of intangible assets recognised in business combinations; impairment of property, plant and equipment (refer to note 3); goodwill (refer to note 4); other intangible assets (refer to note 5); financial assets carried at amortised cost and other assets (refer to note 12); the remeasurements required in business combinations and disposals of associates, joint ventures and subsidiaries (refer to note 26); the valuation and remeasurement of written put option liabilities (refer to note 18) ; taxation (refer to note 27) and equity compensation benefits (refer to note 38). Where relevant, the group has provided sensitivity analyses demonstrating the impact of changes in key estimates and assumptions on reported results.

The following accounting judgements had the most significant impact on the combined annual financial statements:

Lag periods applied when reporting results of equity-accounted investments

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

Accounting for written put option liabilities

The group accounts for all written put options as liabilities equal to the present value of the expected redemption amount payable in the statement of financial position. This applies regardless of whether the group has the discretion to settle in its own equity instruments.

Accounting for share-based payment transactions

The group recognises cash- and equity-settled share-based payment expenses arising from its various share incentive schemes and exercises significant judgement when calculating these expenses. Expenses are generally based on the fair values of awards granted to employees. Fair value is measured using appropriate valuation and option pricing models, where applicable. The values assigned to the key assumptions used in the valuation models for the group's most significant share incentive schemes are disclosed in note 38.

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation

The combined annual financial statements include the results of Prosus N.V. and its subsidiaries, associated companies and joint ventures.

Subsidiaries

Subsidiaries are entities over which the group has control. The existence and effect of potential voting rights are considered when assessing whether the group controls another entity to the extent that those rights are substantive. Subsidiaries are consolidated from the date on which control is obtained (acquisition date) up to the date control ceases. For certain entities, the group has entered into contractual arrangements which allow the group to control such entities. Because the group controls such entities, they are consolidated in the combined annual financial statements.

Intergroup transactions, balances and unrealised gains and losses are eliminated on consolidation.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in an acquisition of a business (acquiree) comprises the fair values of the assets transferred, the liabilities assumed, the equity interests issued by the group and the fair value of any contingent consideration arrangements. If the contingent consideration is classified as equity, it is not subsequently remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of contingent consideration are recognised in the income statement.

For each business combination, the group measures the non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Where a business combination is achieved in stages, the group's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through the income statement. The fair value of the group's previously held equity interest forms part of the consideration transferred in the business combination at the acquisition date.

When a selling shareholder is required to remain in the group's employment subsequent to a business combination, any retention agreements are recognised as employee benefit arrangements and dealt with in terms of the accounting policy for employee or equity compensation benefits.

Goodwill

Goodwill in a business combination is recognised at the acquisition date when the consideration transferred and the recognised amount of non-controlling interests exceeds the fair value of the net identifiable assets of the entity acquired. If the consideration transferred is lower than the fair value of the identifiable net assets of the acquiree (a bargain purchase), the difference is recognised in the income statement. The gain or loss arising on the disposal of an entity is calculated after consideration of attributable goodwill.

Transactions with non-controlling shareholders

Non-controlling shareholders are equity participants of the group and all transactions with non-controlling shareholders are therefore accounted for as equity transactions and included in the statement of changes in equity. In transactions with non-controlling shareholders, any excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the "Existing control business combination reserve" in equity. Refer to section (c) for the group's accounting policy regarding written put options over non-controlling interests.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Associates and joint ventures

Investments in associated companies (associates) and joint ventures are accounted for in terms of the equity method.

Associates are entities over which the group exercises significant influence, but which it does not control or jointly control. Joint ventures are arrangements in which the group contractually shares control over an activity with others and in which the parties have rights to the net assets of the arrangement.

Most major foreign associates and joint ventures do not have year-ends that are coterminous with that of the group, and the group's accounting policy is to account for an appropriate lag period in reporting their results. Any significant transactions and events occurring between the investees' and the group's March year-end are taken into account.

Unrealised gains or losses on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in the relevant associate or joint venture, except where the loss is indicative of impairment of assets transferred.

Where an associate or joint venture holds equity in the group, the carrying amount of the investment in the associate or joint venture is adjusted by an amount representing the group's indirect holding in its own equity because of the cross-holding. An equivalent adjustment is made to the equity of the group as treasury shares. The amount of the group's share of the associate's or joint venture's results is determined after eliminating, from the associate's or joint venture's results, any income or dividends received by the associate or joint venture from the group.

The group's share of other comprehensive income and other changes in net assets of associates and joint ventures is recognised in the statement of comprehensive income.

For acquisitions of associates and joint ventures achieved in stages, the group measures the cost of its investment as the sum of the consideration paid for each purchase plus a share of the investee's profits and other equity movements. Any other comprehensive income recognised in prior periods in relation to the previously held stake in investee is reversed through equity and a share of profits and other equity movements is also recorded in equity. Acquisition-related costs form part of the investment in the associate or joint venture.

When the group increases its shareholding in an associate or joint venture and continues to exercise significant influence or to exert joint control over the investee, the cost of the additional investment is added to the carrying value of the investee. The acquired share in the investee's identifiable net assets, as well as any goodwill arising, is calculated using fair-value information at the date of acquiring the additional interest. Goodwill is included in the carrying value of the investment in the associate or joint venture.

Partial disposals of associates and joint ventures that do not result in a loss of significant influence or joint control are accounted for as dilutions. Dilution gains and losses are recognised in the income statement. The group's proportionate share of gains or losses previously recognised in other comprehensive income by associates and joint ventures are reclassified to the income statement when a dilution occurs.

Each associate and joint venture is assessed for impairment on an annual basis as a single asset. If impaired, the carrying value of the group's investment in the associate or joint venture is adjusted to its recoverable amount and the resulting impairment loss is included in "Impairment of equity-accounted investments" in the income statement.

Disposals

When the group ceases to have control (subsidiaries), exercise significant influence (associates) or exert joint control (joint ventures), any retained interest is remeasured to its fair value, with the change in the carrying value recognised in the income statement. This fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest. In addition, any amounts previously recognised in other comprehensive income in respect of the entity disposed are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

Disposals (continued)

Where the group contributes a non-monetary asset (including a business) to an investee in exchange for an interest in that investee that is equity-accounted, the gain or loss arising on the remeasurement of the contributed non-monetary asset to fair value is recognised in the income statement only to the extent of other parties' interests in the investee. The gain or loss is eliminated against the carrying value of the investment in the associate or joint venture to the extent of the group's interest.

(b) Financial assets

Classification, initial recognition and measurement

Financial assets are initially recognised when the group becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are classified as financial assets measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification is based on the objectives of the business model within which the financial asset is held and the characteristics of its contractual cash flows.

The group assesses the objective of the business model in which a financial asset is held based on all relevant evidence that is available at the date of assessment including how the performance of the financial asset is evaluated and reported to management and the risks affecting the performance of the financial asset as well as how those risks are managed.

In evaluating the contractual cash flows of a financial asset, the group considers its contractual terms, including assessing whether the financial asset is subject to contractual terms that change (or could potentially change) the timing or amount of associated future cash flows.

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual cash flows represent solely payments of principal and interest on the amount outstanding. In making this assessment, the group considers the effect of terms (including conversion, prepayment and extension features) that may affect the timing and/or amounts of cash flows.

Financial assets classified as at amortised cost include trade and other receivables, related party receivables and cash and cash equivalents.

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the fair value of such investments in other comprehensive income. This election is made on an investment-by-investment basis. These investments are classified as financial assets at fair value through other comprehensive income. The group has classified all equity investments that do not represent investments in subsidiaries, associates or joint ventures in this category.

All financial assets not classified as at amortised cost or at fair value through other comprehensive income are measured at fair value through profit or loss. This includes derivative financial assets other than those forming part of effective hedging relationships to which hedge accounting is applied. A financial asset is classified in this category at initial recognition if it is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit making, or, if it is designated in this category to eliminate or significantly reduce an accounting mismatch that would otherwise arise.

Purchases and sales of financial assets are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Financial assets (excluding trade receivables that are not subject to a significant financing component) are initially measured at fair value plus, for an instrument not at fair value through profit or loss, transaction costs directly attributable to its acquisition or issue. Trade receivables that are not subject to significant financing components are initially measured at the relevant transaction prices.

Financial assets are presented as non-current assets, except for those with maturities within 12 months from the statement of financial position date, which are classified as current assets.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(b) Financial assets (continued)

Classification, initial recognition and measurement (continued)

Subsequent measurement

Amortised cost financial assets are subsequently measured using the effective interest method, reduced by relevant impairment allowances. Interest income, foreign exchange gains and losses and impairment losses on amortised cost financial assets are recognised in the income statement.

Changes in the fair value of equity investments classified as financial assets at fair value through other comprehensive income are recognised in other comprehensive income and are accumulated in the valuation reserve in the statement of changes in equity. Dividends received on equity investments at fair value through other comprehensive income are recognised in the income statement. On derecognition of financial assets at fair value through other comprehensive income, fair value changes accumulated in the valuation reserve are transferred to retained earnings.

Financial assets at fair value through profit or loss are subsequently carried at fair value with changes in fair value recognised in the income statement.

Refer to note 42 for the group's fair-value measurement methodology regarding financial assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where they have been transferred and the group has also transferred substantially all risks and rewards of ownership.

Financial assets are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to realise the asset and settle a related financial liability simultaneously.

Impairment

The group recognises expected credit losses (impairment allowances) on financial assets measured at amortised cost and accrued income balances. The group assesses, on a forward-looking basis, the impairment allowances associated with these financial assets and makes use of provision matrices relevant to its various operations in establishing impairment allowances, specifically for trade receivables.

For financial assets at amortised cost (including primarily trade receivables) and accrued income balances, the group measures impairment allowances at an amount equal to the lifetime expected credit losses on these financial assets. Lifetime expected credit losses are those losses that result from all possible default events over the expected life of the financial instrument.

The group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations in full or the outstanding amount exceeds its contractual payment terms.

At each reporting date the group assesses whether financial assets at amortised cost and/or accrued income balances are credit-impaired. Financial assets are considered credit-impaired when one or more events that have a detrimental impact on expected future cash flows have occurred. Evidence that a financial asset is credit-impaired includes significant financial difficulty experienced by the borrower, a breach of contract such as defaulting on contractually due repayments and the probability of the borrower entering bankruptcy.

Impairment allowances for financial assets measured at amortised cost and accrued income balances are recognised in the income statement and accumulated in an allowance account. The gross carrying amount of the financial assets is reduced by the loss allowance via the allowance account and is written off when the group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

Refer to note 36 for further details regarding the group's credit risk management.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Financial liabilities

Financial liabilities are recognised when the group becomes party to the contractual provisions of the relevant instrument. The group classifies financial liabilities at amortised cost or at fair value through profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses on these financial liabilities are recognised in the income statement. Other financial liabilities comprise primarily trade and other payables, borrowings and written put option liabilities. These financial liabilities are initially recognised at fair value, net of transaction costs.

Written put option liabilities represent contracts that impose (or may potentially impose) an obligation on the group to purchase its own equity instruments (including the shares of a subsidiary) for cash or another financial asset. Written put option liabilities are initially raised from the "Existing control business combination reserve" in equity at the present value of the expected redemption amount payable. Subsequent revisions to the expected redemption amount payable as well as the unwinding of the discount related to the measurement of the present value of the written put option liability, are recognised in "Other finance (costs)/income – net" in the income statement. Where a written put option liability expires unexercised or is cancelled, the carrying value of the financial liability is reclassified to the "Existing control business combination reserve" in equity.

Written put options that provide the group with the discretion to settle its obligations in the group's own equity instruments (including the shares of a subsidiary) are also accounted for as outlined above. Written put option liabilities are presented within "Other liabilities" in the statement of financial position.

Financial liabilities are presented as current liabilities if payment is due or could be demanded within 12 months (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Financial liabilities are derecognised when the contractual obligation is discharged, cancelled or when it expires.

(d) Financial instruments used for hedge accounting

The group uses derivative financial instruments (derivatives) to reduce exposure to fluctuations in foreign currency exchange rates and interest rates. These instruments mainly comprise forward exchange contracts and interest rate (including cross currency) swap agreements. Forward exchange contracts protect the group from movements in exchange rates by fixing the rate at which a foreign currency asset or liability will be settled. Cross-currency interest rate swap agreements protect the group from movements in foreign exchange risk on a net investment in a foreign operation.

The group documents, at inception of hedging transactions, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedging transactions. The group also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives used in hedging transactions are expected to be and have been highly effective in offsetting changes in fair values or cash flows of hedged items. Hedging instruments are included in 'derivative financial instruments' in the statement of financial position. The group designates derivatives as hedging instruments either in their entirety or elements thereof, as appropriate. The fair values of derivatives used for hedging purposes are disclosed in note 36.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(d) Financial instruments used for hedge accounting (continued)

The method of recognising the resulting gain or loss arising from the remeasurement of derivatives used for hedging is dependent on the nature of the item being hedged. The group designates a derivative as either a hedge of the fair value of a recognised asset, liability or firm commitment (fair value hedge), or a hedge of a forecast transaction or of the foreign currency risk of a firm commitment (cash flow hedge). The group also designates certain derivatives as hedges of the group's net investments in its foreign operations (cash flow hedges).

Fair value hedges

When a derivative is designated as a fair value hedge, changes in the fair value of the derivative are recorded in the income statement, along with changes in the fair value of the hedged asset or liability that is attributable to the hedged risk.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of the change in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. The ineffective portion of the change in the fair value of the derivative is recognised in profit or loss.

When the hedged forecast transaction or firm commitment subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to the income statement in the same period during which the hedged expected future cash flow affects in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. The amount accumulated in the hedging reserve at that time remains in equity until, for a hedge resulting in the recognition of a non-financial item, it is included in the initial cost on initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period as the expected cash flows affect the income statement. When a committed or forecast transaction is no longer expected to occur, the amounts accumulated in the hedging reserve are reclassified to the income statement.

Net investment hedges

When a derivative is designated as a hedging instrument in a hedge of the group's net investment in a foreign operation, the effective portion of the change in fair value of the hedging instrument is recognised in other comprehensive income and presented in the foreign currency translation reserve within equity. Any ineffective portion of the change in fair value of the derivative is recognised in the income statement. The amount accumulated in the foreign currency translation reserve is reclassified to the income statement on disposal of the relevant foreign operation.

Certain derivative transactions, while providing effective economic hedges under the group's risk management policies, do not qualify for hedge accounting. Changes in the fair value of derivatives that do not qualify for hedge accounting are recognised immediately in the income statement.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

Property, plant and equipment are stated at cost, being the purchase cost plus any cost to prepare the assets for their intended use, less accumulated depreciation and any accumulated impairment losses. Cost includes transfers from equity of any gains/losses on qualifying cash flow hedges relating to foreign currency property, plant and equipment acquisitions. Property, plant and equipment, with the exception of land, are depreciated in equal annual amounts over each asset's estimated useful life to their residual values. Land is not depreciated as it is deemed to have an indefinite life.

Depreciation periods vary in accordance with the conditions in the relevant industries, but are subject to the following range of useful lives:

Buildings	1 to 50 years
Computers and office equipment	1 to 25 years
Furniture and fittings	1 to 25 years

Where parts of property, plant and equipment require replacement at regular intervals, the carrying value of an item of property, plant and equipment includes the cost of replacing the part when that cost is incurred, if it is probable that future economic benefits will flow to the group and the cost can be reliably measured. The carrying values of the parts replaced are derecognised on capitalisation of the cost of the replacement part. Each component of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately where it has an estimated useful life that differs from that of the item as a whole.

Major leasehold improvements are amortised over the shorter of the respective lease terms and estimated useful lives.

Subsequent costs, including major renovations, are included in an asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds to the asset's carrying value and are recognised in "Other (losses)/gains – net" in the income statement.

Work in progress are assets still in the construction phase and not yet available for use. These assets are carried at cost and are not depreciated. Depreciation commences once the assets are available for use as intended by management.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of those assets. All other borrowing costs are expensed as incurred. A qualifying asset is an asset that takes more than a year to get ready for its intended use.

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Leased assets

Finance leases

Leases of property, plant and equipment are classified as finance leases where substantially all risks and rewards associated with ownership are transferred to the group as lessee. Assets under finance leases are capitalised at the lower of fair value and the present value of the minimum lease payments, with the related lease obligation recognised at an equivalent amount. The interest rate implicit in the lease or, where this cannot be reliably determined, the group's incremental borrowing rate is used to calculate the present values of minimum lease payments. Capitalised leased assets are depreciated over their estimated useful lives, limited to the duration of the lease agreement. Each lease payment is allocated between the lease obligation and finance charges. The corresponding lease obligations, net of finance charges, are included in long-term liabilities or current portion of long-term debt. The interest element of the minimum lease payments is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating leases

Leases of assets under which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(g) Intangible assets

Intangible assets acquired are capitalised at cost. Intangible assets with finite useful lives are amortised using the straight-line method over their estimated useful lives. The useful lives and residual values of intangible assets are reassessed on an annual basis.

Amortisation periods for intangible assets with finite useful lives vary in accordance with the conditions in the relevant industries, but are subject to the following maximum limits:

Patents	5 years
Title rights	10 years
Brand names and trademarks	30 years
Software	10 years
Intellectual property rights	30 years
Customer-related assets	11 years

No value is attributed to internally developed trademarks or similar rights and assets. The costs incurred to develop these items are charged to the income statement as incurred.

Costs that are directly associated with the production of identifiable and unique software products controlled by the group, and which will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development team's employee costs and an appropriate portion of relevant overheads. All other costs associated with developing or maintaining software programmes are expensed as incurred.

Web and application (app) development costs are capitalised as intangible assets if it is probable that the expected future economic benefits attributable to the asset will flow to the group and its cost can be measured reliably, otherwise these costs are expensed as incurred.

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets if the costs can be measured reliably, the products or processes are technically and commercially feasible, future economic benefits are probable, and the group intends to and has sufficient resources to complete development and to use or sell the asset. Development costs that do not meet these criteria are expensed as incurred.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Intangible assets (continued)

Work in progress are assets still in the development phase and not yet available for use. These assets are carried at cost and are not amortised but are tested for impairment at each reporting date. Amortisation commences once the assets are available for use as intended by management.

(h) Impairment of non-financial assets

Goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment and carried at cost less accumulated impairment losses.

Goodwill and intangible assets with indefinite useful lives are allocated to cash-generating units for purposes of impairment testing. An impairment test is performed by determining the recoverable amount of the cash-generating unit to which the goodwill or intangible assets with indefinite useful lives relates. The recoverable amount of a cash-generating unit or individual asset is the higher of its value in use and its fair value less costs of disposal. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in "Other gains/(losses) – net" in the income statement. Impairment losses recognised on goodwill are not reversed in subsequent periods.

Other intangible assets and property, plant and equipment

Other intangible assets (with finite useful lives) and items of property, plant and equipment are reviewed for indicators of impairment at least annually. Indicators of impairment include, but are not limited to: significant underperformance relative to expectations based on historical or projected future operating results, significant changes in the manner of use of the assets or the strategy for the group's overall business and significant negative industry or economic trends.

Intangible assets still in the development phase, and not yet available for use (work in progress), are tested for impairment on an annual basis.

An impairment loss is recognised in "Other (losses)/gains – net" in the income statement when the carrying amount of an asset exceeds its recoverable amount.

Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date less the incremental costs directly attributable to the disposal of an asset or cash-generating unit, excluding finance costs and income tax expense.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows that are largely independent of the cash inflows of other assets or groups of assets (a cash generating unit level).

An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised and the revised recoverable amount exceeds the carrying amount. The reversal of such an impairment loss is recognised in "Other (losses)/gains – net" in the income statement.

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Inventory

Inventory is stated at the lower of cost and net realisable value. The cost of inventory is determined by means of the weighted average method.

The cost of finished products and work in progress comprises raw materials, direct labour, other direct costs and related production overheads, but excludes finance costs. Costs of inventories include the transfer from other comprehensive income of any gains/losses on qualifying cash flow hedges relating to foreign currency denominated inventory purchases. Net realisable value is the estimate of the selling price, less the costs of completion and selling expenses. Allowances are made for obsolete, unusable and unsaleable inventory and for latent damage first revealed when inventory items are taken into use or offered for sale.

(j) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost which equals the cost or face value of the asset. Cash and cash equivalents comprise cash on hand and deposits held at call with banks. Certain cash balances are restricted from immediate use according to terms with banks or other financial institutions. For purposes of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(k) Provisions

Provisions are obligations of the group where the timing or amount (or both) of the obligation is uncertain.

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The group recognises a provision relating to its estimated exposure on all products still under warranty at the statement of financial position date. A provision for onerous contracts is established when the expected benefits to be derived under a contract are less than the unavoidable costs of fulfilling the contract. Restructuring provisions are recognised in the period in which the group becomes legally or constructively committed to a formal restructuring plan.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is determined by discounting the anticipated future cash flows expected to be required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in the income statement

(l) Taxation

Tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In such cases, the related tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax

The normal Dutch corporate tax rate applicable to Prosus N.V. for the year ending 31 March 2019 is 25% (2018: 25% and 2017: 25%). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. International tax rates vary from jurisdiction to jurisdiction.

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(l) Taxation (continued)

Deferred taxation

Deferred tax assets and liabilities have been calculated using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date, being the rates the group expects to apply to the periods in which the assets are realised or the liabilities are settled. Deferred taxation is provided on the taxable or deductible temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction, other than a business combination, that, at the time of the transaction, affects neither the accounting nor the taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences and unused tax losses can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

(m) Foreign currencies

The combined annual financial statements are presented in US dollar (US\$) which is the group's presentation currency. However, the group measures the transactions of its operations using the functional currency determined for that specific operating entity which is the currency of the primary economic environment in which the operation conducts its business.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the dates of the valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as part of qualifying cash flow hedges.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair-value gain or loss recognised in the income statement. Translation differences on non-monetary equity investments classified as available for sale are included in the valuation reserve in other comprehensive income as part of the fair-value remeasurement of such items.

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency that is different from the group's presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the reporting date.
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the spot rate on the dates of the transactions).
- Components of equity are translated at the historic rate.
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the "Foreign currency translation reserve" in the statement of changes in equity.

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Foreign currencies (continued)

Foreign operations

The group recognises foreign exchange differences relating to monetary items that form part of its net investment in its foreign operations in other comprehensive income where settlement of the item is neither planned nor likely to take place in the foreseeable future.

When a foreign operation is disposed of, the accumulated foreign exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

(n) Revenue recognition

Revenue from contracts with customers is derived from the sale of goods and rendering of services. Revenue is measured based on the transaction price specified in the contract with the customer. The group recognises revenue when (or as) it transfers control of goods and/or services to its customers, which is when specific criteria have been met for each of the group's activities as described below. Revenue is recognised at the amount the group expects to be entitled to in exchange for the goods and/or services transferred to customers.

Revenue is shown net of value-added tax (VAT), returns, rebates and discounts. For contracts that permit returns, rebates or discounts, revenue is recognised only to the extent that it is highly probable that a significant reversal of revenue will not occur as a result of such items. The amount of revenue recognised is adjusted for expected returns, rebates or discounts which are estimated based on the group's historical experience and taking into consideration the type of customer, the type of transaction and the specific terms of each arrangement. The right to return goods is measured at the former carrying amount of the inventory less any expected costs to recover goods.

The group identifies all parties that are integral to it generating revenue on its online platforms as its customers and, accordingly, incentives (including cash discounts and discount vouchers/coupons) provided to any party transacting on the platform are treated as a reduction of revenue.

Where contracts include multiple goods and/or services, the transaction price is allocated to each distinct good or service (or performance obligation) based on respective stand-alone selling prices. Where stand-alone selling prices are not directly observable, they are estimated.

The group considers, for each contract with a customer, whether it is a principal or an agent. The group regards itself as the principal in a transaction where it controls a promised good or service before the good or service is transferred to a customer. Where the group is the principal in a transaction, it recognises revenue in the gross amount of consideration to which it expects to be entitled. The group is the principal in the majority of transactions that it enters into.

Revenue earned but not yet invoiced is presented as accrued income as part of other receivables in the statement of financial position. Payments received in advance from contracts with customers represent an obligation to transfer future goods and/or services and are presented as part of accrued expenses and other liabilities in the statement of financial position. The group is not party to contracts where the period between the transfer of goods and/or services and payment exceeds one year. Consequently, the group does not adjust its transaction prices for financing components.

Revenue recognition for the group's major revenue streams is outlined below in the following paragraphs.

Revenue represents amounts received or receivable from customers relating to online goods sold on the group's e-tail and other internet platforms and from services rendered. Services rendered include advertising, travel package revenue and commissions, classifieds listings revenue, payment transaction commissions and fees, food delivery revenue, mobile and other content revenue and comparison shopping commissions and fees.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Revenue recognition (continued)

Revenue from goods sold is recognised when the goods are delivered and accepted by customer. The group recognises classified listings and related fees on listing of an item for sale and success fees and any other relevant commissions when a transaction is completed on the group's websites. Payments and fintech, food delivery, mobile content and comparison shopping revenues are recognised once a transaction is completed and is based on the applicable fee for each transaction performed.

The group mainly derives advertising revenues from advertisements shown online on its websites and instant-messaging windows. Online advertising revenues are recognised over the period in which the advertisements are displayed.

(o) Employee benefits

Retirement benefits

The group provides retirement benefits to its full-time employees, primarily by means of monthly contributions to a number of defined contribution pension and provident funds. The assets of these funds are generally held in separate trustee administered funds. The group's contributions to retirement funds are recognised as an expense in the period in which employees render the related service.

Medical aid benefits

The group's contributions to medical aid benefit funds for employees are recognised as an expense in the period in which the employees render services to the group.

Post-employment benefits

Some group companies provide post-employment benefits to their retirees. The entitlement to post-employment healthcare benefits is subject to the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the minimum service period. Independent actuaries carry out annual valuations of these obligations. All remeasurements resulting from experience adjustments and changes in actuarial assumptions are recognised immediately in other comprehensive income. These obligations are unfunded.

Termination benefits

The group recognises termination benefits when it is demonstrably committed to either terminate the employment of employees before the normal retirement date, or provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Where termination benefits fall due more than 12 months after the reporting period, they are discounted. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Termination benefits are immediately recognised as an expense in the income statement.

(p) Equity compensation benefits

The group grants share options, share appreciation rights (SARs) and restricted stock units (RSUs) to its employees under a number of equity compensation plans. The group recognises an employee benefit expense in the income statement, representing the fair value of share options, SARs and RSUs granted. A corresponding credit to equity is raised for equity-settled plans, whereas a corresponding credit to liabilities is raised for cash-settled plans. The fair value of the options, SARs and RSUs at the date of grant under equity-settled plans is charged to the income statement over the relevant vesting periods, adjusted to reflect actual and expected levels of vesting. For cash-settled plans, the group remeasures the fair value of the recognised liability at each reporting date and at the date of settlement, with any changes in fair value recognised in the income statement.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(p) Equity compensation benefits (continued)

A share option, SAR or RSU scheme is considered equity-settled when the transaction is settled through the issue of equity instruments of Prosus N.V. or its subsidiaries or where the group has no obligation to settle awards with participants. They are considered cash-settled when they are settled in cash or any other asset.

On the final vesting date of equity-settled plans, the group transfers the accumulated balance relating to vested share options, SARs and RSUs from the share-based compensation reserve to retained earnings.

(q) Disposal groups held for sale and discontinued operations

Non-current assets and liabilities (disposal groups) are classified as held for sale, and presented as current assets and liabilities in the statement of financial position, when their carrying values will be recovered principally through a sale transaction and when such sale is considered highly probable. The assets and liabilities of disposal groups held for sale are stated at the lower of carrying value and fair value less costs of disposal. From the date on which disposal groups are classified as held for sale, the group applies the measurement provisions of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* which includes, amongst other requirements, the cessation of the recognition of depreciation and amortisation.

Discontinued operations comprise those activities of the group that were disposed of during a reporting period or which were classified as held for sale at the end of the period, and represent a separate major line of business or geographical area that can be clearly distinguished for operational and financial reporting purposes. Where disposal groups are classified as held for distribution and qualify for presentation as discontinued operations, the group presents those disposal groups as discontinued operations only after the distribution has been completed.

(r) Accounting developments

The IASB issued a number of standards, amendments to standards and interpretations during the year ended 31 March 2019.

- (i) The following accounting standards have been adopted by the group and are applicable for the first time during the year ended 31 March 2019. The impact of adopting these new pronouncements is outlined below. Various other accounting pronouncements were effective for the first time during the current year but had no impact on the combined carve-out financial statements.

Standard/Interpretation	Title
IFRS 9 ⁽¹⁾	<i>Financial Instruments</i>
IFRS 15 ⁽²⁾	<i>Revenue from Contracts with Customers</i>

⁽¹⁾ IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* (IFRS 9) replaced IAS 39 *Financial Instruments: Recognition and Measurement* (IAS 39). The group has applied IFRS 9 from 1 April 2018 and elected not to restate comparatives on transition, with the impact of adoption recognised as an adjustment to the opening balance of retained earnings as at 1 April 2018. The initial application of IFRS 9 did not have a significant impact on the group's existing impairment allowances on amortised cost financial assets (including trade and other receivables).

The group recognised an increase in the net parent investment of US\$838m, as a transfer of US\$838m from other reserves, relating to the impact of IFRS 9 on its associate, Tencent Holdings Limited. The impact relates to gains on investments classified as available-for-sale financial assets in terms of IAS 39 that are now accounted for as financial assets at fair value through profit or loss in terms of IFRS 9. Refer to the statement of changes in equity for the adjustment recorded on transition to IFRS 9.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Recently issued accounting standards (continued)

⁽¹⁾ IFRS 9 Financial Instruments (continued)

Classification and measurement

In terms of IAS 39, the group previously classified equity investments as available-for-sale investments (refer to note 9) with changes in fair value recognised in other comprehensive income. On disposal or impairment, cumulative fair value changes recognised in other comprehensive income are reclassified to the income statement. Furthermore, certain available-for-sale investments were measured at cost as their fair value could not be measured with sufficient reliability.

IFRS 9 classifies these investments as financial assets at fair value through other comprehensive income and does not permit the reclassification of cumulative fair value changes to the income statement on disposal or impairment. Further, IFRS 9 no longer permits cost measurement where fair value cannot be measured with sufficient reliability. These investments are, however, not significant to the combined annual financial statements and their remeasurement to fair value on transition to IFRS 9 was insignificant. The group, following the adoption of IFRS 9, accordingly no longer reclassifies cumulative fair value changes on these investments to the income statement but rather transfers such cumulative changes to retained earnings on disposal of an investment.

The following table bridges the original measurement categories of financial instruments in terms of IAS 39 to the new measurement in terms of IFRS 9 as at 1 April 2018:

Financial instrument	New IFRS 9 classification⁽¹⁾	Previous IAS 39 classification
Investments at fair value through other comprehensive income ⁽²⁾⁽³⁾	Financial assets at fair value through other comprehensive income	Available-for-sale investments
Investments in convertible notes of associates ⁽³⁾	Financial assets at fair value through profit or loss	Financial assets at amortised cost
Loans and receivables (including related party and other receivables)	Financial assets at amortised cost	Financial assets at amortised cost
Derivative financial assets and liabilities	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities held for trading
Trade receivables	Financial assets at amortised cost	Financial assets at amortised cost
Cash and cash equivalents	Financial assets at amortised cost	Financial assets at amortised cost
Other financial liabilities	Financial liabilities at amortised cost	Financial liabilities at amortised cost

⁽¹⁾ The initial application of IFRS 9 did not have an impact on the measurement of the group's financial instruments.

⁽²⁾ The group has irrevocably designated these investments as measured at fair value through other comprehensive income.

⁽³⁾ These financial instruments are included as part of "Investments and loans" in the statement of financial position.

Impairment

In general, the IFRS 9 impairment model increases existing impairment allowances (refer to note 12) and introduces a forward-looking impairment model, based on expected credit losses. This replaces the incurred loss model in terms of IAS 39. In terms of IFRS 9, the group's impairment methodology now takes forward-looking information, that has been demonstrated to be predictive of credit losses, into consideration.

Hedge accounting

IFRS 9 did not have a significant impact on the group's hedge accounting practices and accordingly previously applied hedging practices continued unaffected. Refer to note 36.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Recently issued accounting standards (continued)

⁽²⁾ IFRS 15 Revenue from Contracts with Customers

IFRS 15 *Revenue from Contracts with Customers* (IFRS 15) replaced IAS 18 *Revenue*. The group adopted IFRS 15 from 1 April 2018 on a retrospective basis and IFRS 15 has accordingly been applied to all periods presented in the combined carve-out financial statements. Apart from providing additional and more detailed disclosure around revenue recognition, IFRS 15 did not have a significant impact on the group's existing revenue recognition practices and combined annual financial statements.

- (ii) The following new standards, interpretations and amendments to existing standards, that are considered relevant to the group, are not yet effective as at 31 March 2019. The group is currently evaluating the effects of these standards and interpretations, which have not been early adopted:

Standard/Interpretation	Title	Effective for year ending
IFRS 3	<i>Definition of a business</i>	March 2020
IFRS 10/IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined by the IASB
IFRS 16 ⁽¹⁾	<i>Leases</i>	March 2020

⁽¹⁾ IFRS 16 Leases

IFRS 16 *Leases* (IFRS 16) replaces IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement contains a Lease*. IFRS 16 contains principles for the recognition, measurement, presentation and disclosure of leases. In terms of IFRS 16, the group will recognise all leases (with limited exceptions) as right-of-use assets and obligations to make lease payments in the statement of financial position.

The group will apply IFRS 16 for the first time during the year ending 31 March 2020 and is currently finalising its transition. The impact of IFRS 16 largely relates to the recognition of existing operating lease commitments (refer to note 21 for these commitments as at 31 March 2019) as right-of-use assets and obligations to make lease payments in the statement of financial position. At 31 March 2019 these operating lease commitments amounted to US\$181.3m on an undiscounted basis. In accordance with IFRS 16, the group will, however, not recognise operating lease commitments as right-of-use assets and obligations to make lease payments in the statement of financial position to the extent that they relate to short-term leases, leases of low-value assets or leases committed to for which the lease terms has not yet commenced.

On 1 April 2019, the date of transition to IFRS 16, the group expects to recognise right-of-use assets and obligations to make lease payments of between US\$170m and US\$200m, respectively. The majority of the impact of IFRS 16 relates to leases within the group's classifieds and retail segments and relate to the group's right to use various underlying assets including, significantly, office and warehouse space.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

1. PRINCIPAL ACCOUNTING POLICIES (continued)

(r) Recently issued accounting standards (continued)

⁽¹⁾ **IFRS 16 Leases (continued)**

The group will apply IFRS 16 on a prospective basis with effect from 1 April 2019 and intends on applying the following practical expedients as permitted by the transitional provisions of IFRS 16:

- the group will not reassess whether a contract contains a lease and accordingly the previous classification in terms of IAS 17 and IFRIC 4 will be retained (therefore the accounting for contracts not previously identified as leases will be sustained);
- operating leases of which the underlying assets are of low value will not be recognised as right-of-use assets and obligations to make lease payments in the statement of financial position – the existing accounting for these leases will be sustained (i.e. lease payments expensed on a straight-line basis);
- where appropriate, the group will apply a single incremental borrowing rate to a portfolio of leases with reasonably similar characteristics;
- the group will rely on its existing onerous lease contract assessments as an alternative to performing impairment reviews on right-of-use assets as at 1 April with any existing provisions for onerous leases recognised as an adjustment to the relevant right-of-use assets on 1 April 2019;
- the lease terms of contracts ending within 12 months of 1 April 2019 will continue to be accounted for in terms of IAS 17 (i.e. lease payments expensed on a straight-line basis);
- the group will exclude any initial direct costs from the measurement of right-of-use assets as at 1 April 2019; and
- the group will apply hindsight when determining the lease term for contracts containing extension and termination options.

Other new standards, interpretations and amendments to existing standards not yet effective

None of the other new standards, interpretations and amendments to existing standards that are not yet effective as at 31 March 2019 are expected to have a significant impact on the group.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES

Financial year ended 31 March 2019

In August 2018 the group invested US\$60m for a 100% effective and fully diluted interest in the issued share capital of Zooz Mobile Limited (Zooz), a management and optimisation payment provider based in Israel. The transaction was accounted for as a business combination with an effective date of August 2018. The purchase price allocation: cash and deposits US\$2m; trade and other receivables US\$1m; intangible assets US\$22m; trade and other payables US\$1m; loan liabilities US\$1m; deferred tax liability US\$5m and the balance of US\$42m to goodwill. The main intangible assets recognised in the business combination were technology and customer relationships.

In December 2018 the group invested US\$36m for a 69% effective interest (65% fully diluted) in the issued share capital of Aasaanjobs Private Limited (Aasaanjobs), an online recruitment marketplace based in India. The transaction was accounted for as a business combination with an effective date of December 2018. The purchase price allocation: cash and deposits US\$23m; trade and other receivables US\$1m; intangible assets US\$5m; trade and other payables US\$3m; deferred tax liability US\$2m and the balance of US\$13m to goodwill. The main intangible assets recognised in the business combination were customer relationships and tradenames.

Since the acquisition dates of the above business combinations, revenue of US\$1m and net losses of US\$9m have been included in the income statement. Had the revenue and net losses of the above business combinations been included from 1 April 2018 group revenue from continuing operations and net profit from continuing operations would have amounted to US\$2.66bn and US\$4.24bn respectively.

The main factor contributing to the goodwill recognised in these acquisitions was the acquirees' market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US\$2m were recorded in "(Losses)/gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisitions.

In April 2018 the group acquired the share capital held by non-controlling shareholders of its subsidiary Dubizzle Limited (Dubizzle) for US\$190m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Dubizzle and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective and fully diluted interest in Dubizzle.

In August 2018 the group's subsidiary Letgo Global B.V. (previously named Ambatana Holdings B.V.) acquired the share capital held by non-controlling shareholders of Letgo USA B.V. for US\$189m. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in the business and the derecognition of the related non-controlling interest. Following a US\$150m funding round in June 2018, the group's shareholding in Letgo Global B.V. increased from an effective 73.4% at 31 March 2018 to 80% (77% fully diluted) at 31 March 2019.

In January 2019, the group acquired the share capital held by non-controlling shareholders of its subsidiary Avito AB (Avito) for US\$1.16bn. The transaction resulted in the settlement of a written put option recognised by the group over the non-controlling interest in Avito and the derecognition of the non-controlling interest in this business. Following the acquisition, the group holds a 100% effective interest (99.5% fully diluted) in Avito.

In March 2019, the group acquired an additional interest in its subsidiary Silver Indonesia JVCo B.V. (Silver Indonesia) from non-controlling shareholders for US\$46m. Following the acquisition, the group holds a 66% effective interest in Silver Indonesia.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2019 (continued)

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

In May 2018 the group invested US\$35m for a 16% effective interest (15% fully diluted) in Honor Technology, Inc. (Honor) a comprehensive home-care company for older adults in the US. The group accounts for its interest as an investment in an associate.

In May 2018 the group invested US\$89m in Frontier Car Group, Inc. (Frontier Car Group), an online car marketplace headquartered in Berlin and currently operating in eight countries, for a 36% effective (35% fully diluted) shareholding. The group accounts for its interest as an investment in an associate. The group also entered into a collaboration with FCG in India during February 2019 through an investment of US\$25m in the group's subsidiary India Used Car Group B.V.

In July 2018 the group invested an additional US\$12m in PaySense Private Limited (PaySense), a technology platform providing Indian consumers with access to credit lines based on an alternative-data decisioning model. Following this investment, the group holds a 19% effective interest (17% fully diluted) in PaySense. The group now accounts for its interest in PaySense as an investment in an associate.

The group invested an additional US\$79m in Bundl Technologies Private Limited (Swiggy), a leading online food-ordering and delivery platform in India, during July 2018, followed by a further investment of US\$637m in January 2019. Following these investments, the group holds a 39% effective interest (35% fully diluted) in Swiggy. The group continues to account for its interest as an investment in an associate.

In December 2018 the group invested US\$383m in Think & Learn Private Limited (BYJU's) for a 12% effective (12% fully diluted) shareholding in India's largest education company and the creator of India's largest personalised learning app. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2018 the group announced the disposal of its 12% effective interest (11% fully diluted) in Flipkart Limited – its equity-accounted e-tail investment in India – to US-based retailer Wal-Mart International Holdings, Inc. for US\$2.2bn (inclusive of applicable withholding taxes and amounts held in escrow). Amounts held in escrow following the disposal have been included as part of "Other receivables" in the statement of financial position. The transaction was concluded in August 2018 following regulatory approval. A gain on disposal of US\$1.6bn has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement. This gain includes the reclassification of a foreign currency translation reserve of US\$97m to the income statement. Related income tax expenses of US\$177m have been included as part of "Taxation" in the income statement.

In September 2018 the group concluded the sale of its 52% interest in Tek Travels Private Limited, its online B2B travel distribution business, for US\$37m. A gain on disposal of US\$6m has been recognised as part of "Gains/(losses) on acquisitions and disposals" in the income statement.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2018

In November 2017 the group invested US\$41m to acquire a 100% effective interest in The Car Trader Proprietary Limited (AutoTrader), an online automobile classifieds vertical in South Africa. The transaction was accounted for as a business combination with an effective date of November 2017. The total purchase consideration amounted to US\$41m. The purchase price allocation: property, plant and equipment US\$1m; cash and deposits US\$3m; trade and other receivables US\$1m; intangible assets US\$27m; trade and other payables US\$4m; loan liabilities US\$14m; deferred tax liabilities US\$8m and the balance of US\$35m to goodwill. The main classes of intangible assets recognised in the business combination were brands, customer relationships and technology.

Since the acquisition date of the above business combination, revenue of US\$7m has been included in the income statement relating to AutoTrader. AutoTrader did not contribute significantly to group net profit. Had the revenue and net results of AutoTrader been included from 1 April 2017, group revenue and net profit would have amounted to US\$2.32bn and US\$11.41bn, respectively.

The main factor contributing to the goodwill recognised in the acquisition is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US\$2m were recorded in "Gains on acquisitions and disposals" in the income statement regarding the above-mentioned acquisition.

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

The group made various investments in Delivery Hero AG (Delivery Hero), a global online food-ordering and delivery marketplace, during the year. In May 2017 the group acquired its initial interest in Delivery Hero through an investment of US\$426m. On 30 June 2017, Delivery Hero successfully completed an initial public offering of its shares, a process during which the group invested a further US\$47m. Following these investments, the group held an 11% effective interest (10% fully diluted) in Delivery Hero. In December 2017 the group invested an additional US\$47m as part of a private placement in order to maintain its relative shareholding. During March 2018, following the receipt of regulatory approval, the group acquired Rocket Internet SE's interest in Delivery Hero for US\$778m. The group's aggregate investment in Delivery Hero therefore amounts to US\$1.30bn over the reporting period. Following the acquisition from Rocket Internet SE, the group holds a 23% effective interest (22% fully diluted) in Delivery Hero. The group accounts for its interest in Delivery Hero as an investment in an associate.

The group made two investments during June 2017 and February 2018 amounting to US\$121m in total, in Bundl Technologies Private Limited (Swiggy), the operator of a first-party food-delivery marketplace in India. Following these investments, the group holds a 22% effective interest (21% fully diluted) in Swiggy. The group accounts for its interest in Swiggy as an investment in an associate.

In May 2017 the group invested US\$99m in Kreditech Holding SSL GmbH (Kreditech), a provider of consumer lending and financial services. The group has also provided convertible loan funding of €20m to Kreditech. Following the investment, the group holds a 38% effective interest (31% fully diluted) in Kreditech. The group accounts for its interest in Kreditech as an investment in an associate.

During May 2017 the group invested US\$132m in its associate MakeMyTrip Limited (MakeMyTrip) as part of a funding round. In August and September 2017, following MakeMyTrip's issue of share options to its employees, the group invested US\$23m to maintain its relative shareholding. Following these transactions, the group holds a 43% effective interest (40% fully diluted) in MakeMyTrip.

The group invested US\$71m for an additional interest in its associate Flipkart Limited (Flipkart) in April 2017. The additional interest was acquired from existing shareholders of Flipkart. Flipkart undertook various funding rounds during the year in which the group did not participate. These funding rounds resulted in a dilution of the group's interest in Flipkart and in the recognition of an aggregate net dilution gain of US\$252m in "Dilution gains/(losses) on equity-accounted investments" in the income statement. Following the dilutions, the group holds a 12% effective interest (11% fully diluted) in Flipkart.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2018 (continued)

In November 2017 the group invested US\$100m in Remitly, Inc. (Remitly), a global digital money-transfer service. The investment resulted in the group acquiring a 23% effective interest (20% fully diluted) in Remitly. The group accounts for its interest in Remitly as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

During May 2017 the group disposed of its investment in its joint venture Souq Group Limited for a consideration of US\$173m. A gain on disposal of US\$89m has been recognised in "(Losses)/gains on acquisitions and disposals" in the income statement following the transaction.

During February 2018 the group disposed of its investment in its joint venture Konga Online Shopping Limited. A loss on disposal of US\$38m, representing the reclassification of the group's foreign currency translation reserve from other comprehensive income to the income statement, has been recognised in "(Losses)/gains on acquisitions and disposals".

In March 2018 the group disposed of approximately 6% of its interest in its associate, Tencent Holdings Limited (Tencent). The disposal was executed by way of an accelerated offering by private placement on the Hong Kong Stock Exchange for a cash consideration of US\$9.76bn. The disposal reduced the group's shareholding from 33.17% to 31.17%. A dilution gain of US\$9.10bn has been recognised in "Dilution gains/(losses) on equity-accounted investments" following the transaction, resulting in a cumulative net dilution gain of US\$8.98bn for the year on the group's investment in Tencent.

Financial year ended 31 March 2017

In November 2016 the group acquired a 100% interest in Citrus Pay, a leading Indian payments technology player, to expand the payments and fintech business's Indian footprint. Citrus Pay forms part of the Indian operations of PayU, the group's global online payment service provider. The transaction was accounted for as a business combination. The total purchase consideration amounted to US\$112m. In addition, an employment-linked prepayment of US\$18m was recognised as a transaction separate from the business combination. This amount will be expensed in the income statement over the service period. The purchase price allocation: net debt US\$1m; net working capital US\$2m; intangible assets US\$15m; deferred tax liability of US\$5m and the balance of US\$105m to goodwill. The main classes of intangible assets recognised in the business combination were trademarks, customer bases and technology.

As part of its strategy to consolidate the growing US online classifieds market, the US operations of Wallapop S.L. (Wallapop) were absorbed into the group's letgo business during July 2016. As consideration for the contribution of Wallapop's business and cash of US\$45m, Wallapop was issued with a 45% interest in a newly formed entity in the US, with the group holding the remaining 55% interest. The transaction was accounted for as a business combination. The total deemed purchase consideration amounted to US\$126m, representing the fair value of the equity interest issue to Wallapop. Given the early-stage nature of the business model, the transaction gave rise to the recognition of goodwill of US\$126m. A non-controlling interest of US\$45m was recognised following the business combination.

The main factor contributing to the goodwill recognised in these acquisitions is the acquiree's market presence. The goodwill that arose is not expected to be deductible for income tax purposes. Total acquisition-related costs of US\$2m were recorded in "Gains on acquisitions and disposals" in the income statement regarding the above acquisitions.

Since the acquisition dates of the above transactions, revenue of US\$8m and net losses of US\$182m have been included in the income statement relating to the acquired businesses. Had the revenue and net results of the acquired businesses been included from 1 April 2016, group revenue and net profit would have amounted to US\$1.84bn and US\$2.32bn respectively.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

2. SIGNIFICANT ACQUISITIONS AND DIVESTITURES (continued)

Financial year ended 31 March 2017 (continued)

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

The group made its first investment targeting the education technology market by investing US\$13m (23.6% fully diluted interest) in Brainly (May 2016), a social learning network. The group also invested US\$70m (10.6% fully diluted interest) in Udemy (June and October 2016), an online education marketplace with over 7 million students enrolled, and US\$22m (19.2% fully diluted interest) in Codecademy (June 2016), a leading global platform focused on online coding education. The group accounts for these interests as investments in associates.

In January 2017 the group merged its Indian online travel business, ibibo, with Nasdaq-listed MakeMyTrip Limited, in exchange for a 40% fully-diluted interest in MakeMyTrip Limited. A gain on disposal of US\$228m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction. The group accounts for its interest as an investment in an associate.

The following relates to significant disposals by the group during the reporting period:

In May 2016 the group disposed of its Czech online comparison-shopping platform Heureka for a cash consideration of US\$67m, following the receipt of regulatory approval. A gain on disposal of US\$61m was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction.

During July 2016 the group disposed of its Czech online retail and ecommerce platform Netretail for a cash consideration of US\$102m. A loss on disposal of US\$28m has been recognised in "Gains on acquisitions and disposals" in the income statement.

During January 2017 following the receipt of regulatory approval, the group concluded the disposal of Allegro.pl and Ceneo.pl, the leading online marketplace and price comparison businesses in Poland for net proceeds of US\$3.21bn. A gain on disposal of US\$1.94bn was recognised in "Gains on acquisitions and disposals" in the income statement following the transaction (refer to note 28 for additional information).

Investments acquired and funding rounds participated in were funded through the utilisation of existing credit facilities and proceeds received from disposals during the reporting period.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

3. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings US\$'m	Computer and office equip- ment US\$'m	Furniture and fittings US\$'m	Other US\$'m	Total US\$'m
1 April 2018					
Cost	49	33	42	5	129
Accumulated depreciation and impairment	(13)	(14)	(16)	(2)	(45)
Carrying value at 1 April 2018	36	19	26	3	84
Foreign currency translation effects	(8)	(3)	(4)	-	(15)
Acquisitions of subsidiaries and businesses	-	1	1	1	3
Acquisitions	57	23	14	1	95
Disposals/scrappings	-	(2)	(1)	(1)	(4)
Depreciation	(7)	(11)	(6)	(1)	(25)
31 March 2019					
Cost	96	53	49	4	202
Accumulated depreciation and impairment	(18)	(26)	(19)	(1)	(64)
Carrying value at 31 March 2019	78	27	30	3	138
Work in progress at 31 March 2019					5
Total carrying value at 31 March 2019					143

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings US\$m	Computers and office equip- ment US\$m	Furniture and fittings US\$m	Other US\$m	Total US\$m
1 April 2017					
Cost	24	28	26	2	80
Accumulated depreciation and impairment	(7)	(8)	(11)	(1)	(27)
Carrying value at 1 April 2017	17	20	15	1	53
Foreign currency translation effects	-	-	1	-	1
Reclassifications	1	-	(1)	-	-
Acquisitions	24	12	18	3	57
Disposals/scrappings	(1)	(1)	(1)	-	(3)
Depreciation	(5)	(12)	(6)	(1)	(24)
31 March 2018					
Cost	49	33	42	5	129
Accumulated depreciation and impairment	(13)	(14)	(16)	(2)	(45)
Carrying value at 31 March 2018	36	19	26	3	84
Work in progress at 31 March 2018					12
Total carrying value at 31 March 2018					96

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings US\$m	Computers and office equip- ment US\$m	Furniture and fittings US\$m	Other US\$m	Total US\$m
1 April 2016					
Cost	14	63	19	2	98
Accumulated depreciation and impairment	(4)	(31)	(8)	(1)	(44)
Carrying value at 1 April 2016	10	32	11	1	54
Foreign currency translation effects	2	(1)	-	2	3
Acquisitions of subsidiaries and businesses	-	1	-	-	1
Disposals of subsidiaries and businesses	(2)	(15)	(1)	(1)	(19)
Acquisitions	11	19	12	-	42
Disposals/scrapings	(1)	-	(1)	(1)	(3)
Depreciation ⁽¹⁾	(3)	(16)	(6)	-	(25)
31 March 2018					
Cost	24	28	26	2	80
Accumulated depreciation and impairment	(7)	(8)	(11)	(1)	(27)
Carrying value at 31 March 2017	17	20	15	1	53
Work in progress at 31 March 2017					2
Total carrying value at 31 March 2017					55

⁽¹⁾ Includes depreciation of US\$5.2m associated with discontinued operations (refer to note 28).

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

3. PROPERTY, PLANT AND EQUIPMENT (continued)

The carrying value of work in progress mainly comprises buildings and equipment.

The carrying values of assets capitalised under finance leases are as follows:

	31 March		
	2019	2018	2017
	US\$m	US\$m	US\$m
Buildings	1	2	2
Computers, furniture and office equipment	9	4	1
	10	6	3

Included in the acquisition of property, plant and equipment is an amount of US\$0.5m (2018: US\$8.5m and 2017: US\$nil) relating to leased assets, which are non-cash in nature. Refer to note 21 for details of the group's assets pledged as collateral.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

4. GOODWILL

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Cost			
Opening balance	2 448	2 415	2 797
Foreign currency translation effects	(262)	(10)	198
Acquisitions of subsidiaries and businesses	105	43	241
Disposals of subsidiaries and businesses	(9)	-	(821)
Transferred to assets classified as held for sale	(13)	-	-
Closing balance	2 269	2 448	2 415
Accumulated impairment			
Opening balance	267	268	280
Foreign currency translation effects	(38)	(1)	18
Impairment	6	-	5
Disposals of subsidiaries and businesses	(1)	-	(35)
Closing balance	234	267	268
Carrying value	2 035	2 181	2 147

The group recognised impairment losses on goodwill of US\$6.0m (2018: US\$nil and 2017: US\$5.2m) related to various smaller ecommerce investments.

Management used 10-year projected cash flow models, terminal growth rates ranging between 1.5% and 5% and discount rates ranging between 12% and 23.5% in performing the impairment tests. The group uses 10-year projected cash flow models as many businesses have monetisation timelines longer than five years as further explained below.

Impairment testing of goodwill

The group has allocated goodwill to various cash-generating units. The recoverable amounts of these cash-generating units have been determined based on value in use calculations. Value in use is based on discounted cash flow calculations. The group based its cash flow calculations on three-to-ten year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. Long-term average growth rates for the respective countries in which the entities operate or, where more appropriate, the growth rate of the cash-generating units, were used to extrapolate cash flows into the future. The discount rates used reflect specific risks relating to the relevant cash-generating units and the countries in which they operate while maximising the use of market observable data. Other assumptions included in cash flow projections vary widely between cash-generating units due to the group's diverse range of business models, and are closely linked to entity-specific key performance indicators.

The group's impairment testing of goodwill takes into account that, in most instances, longer forecast periods are required for many ecommerce businesses. These longer forecast periods are required as the group's ecommerce businesses generally only reach maturity once sufficient market share has been gained, the businesses have reached the appropriate scale and have become revenue generative/profitable. Key assumptions in estimating these future cash flows over the forecast period include the cash generating unit's ability to capture the required market share and the additional investment required in order for it to reach the appropriate scale.

As a result of the group using longer-term cash flow forecasts, appropriate risk adjustments are made to the discount rates used (generally being the weighted average cost of capital) when calculating the value in use of cash generating units.

Where the group has committed to the sale of a cash generating unit or has determined that an impairment loss should be recognised on a cash generating unit based on its value in use, the group also calculates that cash generating unit's fair value less costs of disposal to ensure that the recognition of an impairment loss is appropriate.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

4. GOODWILL (continued)

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:

- revenue and EBITDA growth rates;
- growth rates used to extrapolate cash flows beyond the budget/forecast period (the terminal growth rate), including the terminal growth rate applied in the final projection year; and
- discount rates.

When determining cash flows over the forecast periods, EBITDA margin assumptions vary between the group's diverse range of businesses.

The group's classifieds segment accounts for over 85% of the overall balance of goodwill and, accordingly, assumptions made in determining the cash flows of the classifieds cash generating units have a significant impact on the annual impairment assessment. Key assumptions underlying revenue forecasts for cash generating units in the classifieds segment include the cash generating unit's anticipated market share, the number of listings expected over the forecast period and the revenue and EBITDA contribution of each such listing. EBITDA margins assumed range between 30% and 60%, depending on the stage of maturity of the relevant business. Terminal growth rates and discount rates used in performing impairment tests are detailed in the table below.

If either the pre- or post-tax discount rate applied to cash flows were to increase by 5% or the growth rate used to extrapolate cash flows were to decrease by 5%, or if both the discount rate and the growth rate were to increase and decrease by 5% respectively, there would be no further significant impairments that would have to be recognised.

Notes to the Combined Carry-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

4. GOODWILL (continued)

Impairment testing of goodwill (continued)

The group allocated goodwill to the following groups of cash-generating units:

	Carrying value of goodwill at 31 March 2019	Basis of determination of recoverable amount	Pre-tax discount rates at 31 March			Post-tax discount rate applied to cash flows at 31 March			Growth rate used to extrapolate cash flows at 31 March				
			2019	2018	2017	2019	2018	2017	2019	2018	2017		
			US\$m	%	%	%	%	%	%	%	%	%	
Groups of cash-generating units													
Avito AB	1 262	Value in use	17.3	17.1	17.6	15.0	15.0	14.0	5.0	5.0	5.0	5.0	5.0
Letgo Global B.V. (previously Ambatana Holdings B.V.) ⁽¹⁾⁽²⁾	200	Value in use	20.0	16.3		17.5	14.0		5.0	3.0			
PayU Payments Private Limited (previously Citrus Payment Solutions Private Limited) ⁽¹⁾	98	Value in use	16.6	13.0		14.0	11.0		4.0	4.0			
OLX B.V.	77	Value in use	15.4	11.5	18.5	13.5	12.0	16.0	5.0	3.0	3.0	3.0	3.0
Dubizzle Limited (BVI)	75	Value in use	15.9	13.0	14.0	15.5	13.0	14.0	4.0	4.0	4.0	4.0	4.0
Mobile Internet Move! S.A.	69	Value in use	23.5	17.3	23.6	18.0	14.0	18.0	5.0	5.0	5.0	5.0	5.0
Silver Indonesia JVCo B.V. (OLX Indonesia)	59	Value in use	19.3	13.8	17.0	17.0	12.0	17.0	4.0	4.0	4.0	4.0	4.0
Dante International S.A. (eMAG)	48	Value in use	17.3	14.0	15.2	16.0	13.0	14.0	3.0	4.0	4.0	4.0	3.0
Zooz Mobile Limited ⁽¹⁾	40	Value in use	13.1			12.0			4.0				
The Car Trader Proprietary Limited (AutoTrader) ⁽¹⁾	29	Value in use	26.5			21.0			4.0				
OLX Portugal S.A.	22	Value in use	17.5	14.2	17.9	16.0	12.0	15.0	1.5	1.5	1.5	1.5	1.5
Aasaanjobs Private Limited ⁽¹⁾	14												
Various other units	42	Value in use	Various	Various	Various	Various	Various	Various	Various	Various	Various	Various	Various
	2 035												

⁽¹⁾ This cash-generating unit includes goodwill from acquisitions that were made during the current year or a prior year. Based on the value of the recent transaction and the associated cash flows, no impairment was noted.

⁽²⁾ In 2017, due to the start-up nature of this business, the goodwill recognised was supported based on transaction values observed in recent funding rounds as well as an assessment of various key performance indicators specific to the business.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

5. OTHER INTANGIBLE ASSETS

	Intellectual property rights and patents US\$m	Customer related assets US\$m	Brand names and title rights US\$m	Software US\$m	Total US\$m
1 April 2018					
Cost	11	606	722	65	1 404
Accumulated amortisation and impairment	(4)	(151)	(253)	(40)	(448)
Carrying value at 1 April 2018	7	455	469	25	956
Foreign currency translation effects	-	(66)	(62)	(5)	(133)
Acquisitions of subsidiaries and businesses	1	23	8	26	58
Disposals of subsidiaries and businesses	(3)	-	(1)	-	(4)
Acquisitions	-	4	-	6	10
Impairment	(1)	-	-	-	(1)
Amortisation	(2)	(36)	(40)	(16)	(94)
31 March 2019					
Cost	2	552	636	82	1 272
Accumulated amortisation and impairment	-	(172)	(262)	(46)	(480)
Carrying value at 31 March 2019	2	380	374	36	792
Work in progress at 31 March 2019					2
Total carrying value at 31 March 2019					794

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

5. OTHER INTANGIBLE ASSETS (continued)

	Intellectual property rights and patents US\$m	Customer related assets US\$m	Brand names and title rights US\$m	Software US\$m	Total US\$m
1 April 2017					
Cost	9	596	716	56	1 377
Accumulated amortisation and impairment	(1)	(115)	(199)	(25)	(340)
Carrying value at 1 April 2017	8	481	517	31	1 037
Foreign currency translation effects	1	(6)	(7)	-	(12)
Reclassifications	3	-	(3)	-	-
Acquisitions of subsidiaries and businesses	-	15	8	3	26
Acquisitions	1	1	1	6	9
Disposals	-	-	(2)	(1)	(3)
Impairment	(4)	-	-	-	(4)
Amortisation	(2)	(36)	(45)	(14)	(97)
31 March 2018					
Cost	11	606	722	65	1 404
Accumulated amortisation and impairment	(4)	(151)	(253)	(40)	(448)
Carrying value at 31 March 2018	7	455	469	25	956
Work in progress at 31 March 2018					2
Total carrying value at 31 March 2018					958

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

5. OTHER INTANGIBLE ASSETS (continued)

	Intellectual property rights and patents US\$m	Customer related assets US\$m	Brand names and title rights US\$m	Software US\$m	Total US\$m
1 April 2016					
Cost	9	690	799	74	1 572
Accumulated amortisation and impairment	(1)	(239)	(233)	(38)	(511)
Carrying value at 1 April 2016	8	451	566	36	1 061
Foreign currency translation effects	3	74	79	2	158
Reclassifications	-	1	-	(1)	-
Acquisitions of subsidiaries and businesses	-	12	3	1	16
Disposals of subsidiaries and businesses	-	(18)	(59)	(6)	(83)
Acquisitions	-	2	1	14	17
Disposals	-	-	-	(2)	(2)
Impairment	(2)	(4)	(18)	-	(24)
Amortisation ⁽¹⁾	(1)	(37)	(55)	(13)	(106)
31 March 2017					
Cost	9	596	716	56	1 377
Accumulated amortisation and impairment	(1)	(115)	(199)	(25)	(340)
Carrying value at 31 March 2017	8	481	517	31	1 037
Work in progress at 31 March 2017					1
Total carrying value at 31 March 2017					1 038

⁽¹⁾ Includes amortisation of US\$2.3m associated with discontinued operations (refer to note 28).

The group recognised impairment losses on other intangible assets of US\$0.6m (2018: US\$4.2m and 2017: US\$24.2m). The recoverable amounts of the intangible assets impaired amounted to US\$nil (2018: US\$nil and 2017: US\$nil). The intangible assets impaired were written off in full as no future cash inflows were associated with them.

The impairment losses have been included in "Other (losses)/gains – net" in the income statement, of which US\$0.6m (2018: US\$4.2m and 2017: US\$nil) has been included in the classifieds segment and US\$nil (2018: US\$nil and 2017: US\$22.5m) in the etail segment.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

6. SIGNIFICANT SUBSIDIARIES

The following information relates to the group's interest in its significant subsidiaries:

Name of subsidiary	Effective percentage interest ⁽¹⁾			Nature of business	Country of incorporation	Functional currency
	2019	2018	2017			
	%	%	%			
Unlisted companies						
Corporate companies						
MIH Ming He Holdings Limited	100.0	100.0	100.0	Investment holding	Hong Kong	US\$
MIH B2C Holdings B.V.	100.0	100.0	100.0	Investment holding	The Netherlands	US\$
Classifieds						
Avito AB ⁽²⁾	100.0	71.2	70.5	Classifieds	Sweden	SEK
Letgo Global B.V. (previously Ambatana Holdings B.V.) ⁽²⁾	79.9	73.4	69.7	Classifieds	The Netherlands	US\$
Letgo USA B.V.	79.9	47.2	41.6	Classifieds	The Netherlands	US\$
OLX B.V.	100.0	100.0	99.9	Classifieds	The Netherlands	US\$
OLX Portugal S.A.	100.0	100.0	99.9	Classifieds	Portugal	EUR
Silver Indonesia JVCo B.V. (OLX Indonesia) ⁽⁴⁾	65.8	40.5	40.5	Classifieds	The Netherlands	EUR
Netrepreneur Connections Enterprises Inc. (Sulit) ⁽³⁾	100.0	100.0	91.6	Classifieds	Philippines	PHP
Dubizzle Limited (BVI) ⁽⁴⁾	100.0	51.8	53.7	Classifieds	UAE	AED
The Car Trader Proprietary Limited (AutoTrader)	100.0	100.0	-	Classifieds	South Africa	ZAR
Aasaanjobs Private Limited ⁽⁴⁾	68.6	-	-	Classifieds	India	INR
Etail and travel						
Dante International S.A. (eMAG)	80.1	79.3	77.1	Retail and ecommerce	Romania	RON
Tek Travel Private Limited (Travel Boutiques Online) ⁽⁵⁾	-	47.3	47.3	Online travel portal	India	INR
Payments and fintech						
PayU Global B.V.	98.8	97.6	97.6	Payments platform	The Netherlands	US\$
PayU Payments Private Limited ⁽⁶⁾	98.8	97.6	97.6	Payments platform	India	INR
Zooz Mobile Limited ⁽⁴⁾	98.8	-	-	Payments platform	Israel	US\$

⁽¹⁾ The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

⁽²⁾ The group acquired the shares held by non-controlling shareholders of its subsidiaries Avito AB and Letgo USA B.V. during the current year. Refer to note 2 for further information.

⁽³⁾ The group classified Sulit as held for sale during the current reporting period. Refer to note 14 for further information. This business was contributed in exchange for an interest in Carousell Private Limited after the end of the reporting period (refer to note 39).

⁽⁴⁾ Refer to note 2 for the acquisition of the group's interest during the current period.

⁽⁵⁾ The group disposed of Tek Travel Private Limited during the current period. Refer to note 2 for further information.

⁽⁶⁾ Citrus Payment Solutions Private Limited was merged with PayU Payments Private Limited during the current year.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

6. SIGNIFICANT SUBSIDIARIES (continued)

Name of subsidiary	Effective percentage interest ⁽¹⁾			Nature of business	Country of incorporation	Functional currency
	2019	2018	2017			
	%	%	%			
Food delivery						
iFood.com Agência de Restaurantes Online S.A.(iFood)	53.8	51.6	42.9	Food delivery	Brazil	BRL
Other ecommerce						
Mobile Internet Móvel S.A.	80.7	77.4	70.7	Mobile value added services	Brazil	BRL

⁽¹⁾ The percentage interest shown is the financial effective interest, after disregarding the interests of the group's equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

6. SIGNIFICANT SUBSIDIARIES (continued)

The summarised financial information contained below relates to a subsidiary of the group that is considered to have a significant non-controlling interest:

	Avito AB⁽¹⁾	
	31 March	
	2018	2017
	US\$'m	US\$'m
Summarised statement of financial position		
Non-current assets	2 319	2 441
Current assets	133	71
Total assets	2 452	2 512
Non-current liabilities	168	183
Current liabilities	45	33
Total liabilities	213	216
Accumulated non-controlling interests	227	237
Summarised income statement		
Revenue	284	204
Net profit for the year	62	24
Other comprehensive (loss)/income	(3)	20
Total comprehensive income	59	44
Profit attributable to non-controlling interests	17	8
Dividends paid to non-controlling interests	25	14
Summarised statement of cash flows		
Cash flows generated from operating activities	83	63
Cash flows utilised in investing activities	(5)	(13)
Cash flows utilised in financing activities	(25)	(14)

⁽¹⁾ The group acquired the shares held by non-controlling shareholders in its subsidiary Avito AB during the current period (refer note 2). Accordingly, Avito AB no longer has significant non-controlling interests.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

7. INVESTMENTS IN ASSOCIATES

The following information relates to the group's financial interest in its significant associates:

Name of associated company	Effective percentage interest ⁽¹⁾			Nature of business	Country of incorporation	Functional currency	Year-end
	2019 %	2018 %	2017 %				
Listed companies							
Tencent Holdings Limited	31.1	31.2	33.3	Internet-related services	Cayman Islands	RMB	December
Mail.ru Group Limited	28.0	28.4	28.7	Internet-related services	British Virgin Islands	RUB	December
MakeMyTrip Limited	42.6	43.1	43.2	Online travel	Mauritius	INR	March
Delivery Hero SE	22.3	22.8	-	Food delivery	Germany	EUR	December
Unlisted companies							
Classifieds							
Frontier Car Group, Inc. (FCG) ⁽²⁾	35.7	-	-	Classifieds	Germany	EUR	December
Etail							
Flipkart Limited ⁽³⁾⁽⁴⁾	-	12.4	16.5	Ecommerce	India	US\$	March
Payments and fintech							
Kreditech Holding SSL GmbH	34.9	37.6	-	Consumer lending	Germany	EUR	December
Remitly, Inc.	22.6	22.6	-	Digital money transfer	United States of America	US\$	December
Primrose Hill Ventures Private Limited (ZestMoney)	21.4	21.4	-	Consumer lending	India	INR	December
Paysense Private Limited ⁽⁴⁾	18.8	5.3	-	Consumer lending	India	INR	March
Food delivery							
Bundl Technologies Private Limited (Swiggy)	38.8	21.9	-	Food delivery	India	INR	March

⁽¹⁾ The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

⁽²⁾ The group acquired its interest in these entities during the current period. Refer to note 2 for further information.

⁽³⁾ The group disposed of its interest in Flipkart Limited during the current period. Refer to note 2 for further information.

⁽⁴⁾ The group accounts for its interest as an investment in an associate on account of its board representation.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

7. INVESTMENTS IN ASSOCIATES (continued)

The following information relates to the group's financial interest in its significant associates:

Name of associated company	Effective percentage interest ⁽¹⁾			Nature of business	Country of incorporation	Functional currency	Year-end
	2019 %	2018 %	2017 %				
Unlisted companies (continued)							
Other ecommerce							
SimilarWeb Limited	24.5	24.5	28.8	Internet metrics	Israel	NIS	December
Udemy, Inc. ⁽⁴⁾	11.8	12.1	12.0	Educational technology	United States of America	US\$	March
Sololearn, Inc. ⁽²⁾⁽⁴⁾	15.3	-	-	Educational technology	United States of America	US\$	March
Human DX	22.6	22.6	-	Health technology	United States of America	US\$	December
Ryzac, Inc. (Codecademy)	21.1	21.1	21.3	Educational technology	United States of America	US\$	December
Brainly, Inc.	34.0	34.1	26.0	Educational technology	United States of America	US\$	December
Honor Technology Inc. (Honor) ⁽²⁾⁽⁴⁾	16.4	-	-	Home care	United States of America	US\$	December
Think & Learn Private Limited (BYJU's) ⁽²⁾⁽⁴⁾	12.2	-	-	Educational technology	India	INR	March

⁽¹⁾ The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

⁽²⁾ The group acquired its interest in these entities during the current period. Refer to note 2 for further information.

⁽³⁾ The group disposed of its interest in Flipkart Limited during the current period. Refer to note 2 for further information.

⁽⁴⁾ The group accounts for its interest as an investment in an associate on account of its board representation.

Adjustments are made for significant transactions and events that take place where lag periods are applied. These adjustments routinely include fair-value adjustments related to the underlying financial instruments of associates measured at fair value through profit or loss or at fair value through other comprehensive income.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

7. INVESTMENTS IN ASSOCIATES (continued)

The fair values of the group's investments in its listed associates are detailed below:

	31 March		
	2019	2018	2017
	US\$'m	US\$'m	US\$'m
Listed investments			
Tencent Holdings Limited	136 180	154 535	90 347
Mail.ru Group Limited	1 501	2 121	1 340
MakeMyTrip Limited	1 208	1 519	1 363
Delivery Hero SE	1 506	2 027	

The above fair values have been measured using quoted prices in active markets and the disclosed amounts therefore represent level 1 fair-value measurements.

	31 March		
	2019	2018	2017
	US\$'m	US\$'m	US\$'m
Opening balance	16 669	10 691	7 518
Associates acquired - gross consideration	1 279	1 885	611
net assets acquired	517	433	210
goodwill and other intangibles recognised	821	1 535	428
deferred taxation recognised	(59)	(83)	(27)
Associates disposed of	(461)	(3)	(21)
Share of current year other reserve movements	482	763	1 102
Share of equity-accounted results	3 418	3 326	1 922
Equity-accounted results due to purchase accounting	(11)	(18)	(6)
amortisation of other intangible assets	(19)	(26)	(8)
realisation of deferred taxation	8	8	2
(Impairment)/reversal of impairment	(88)	(46)	1
Dividends received	(342)	(247)	(191)
Foreign currency translation effects	(1 027)	1 016	(126)
Disposal of partial interest in Tencent	-	(816)	-
Dilution (losses)/gains	(173)	118	(119)
Closing balance	19 746	16 669	10 691
Investments in associates			
Listed	18 175	15 583	10 127
Unlisted	1 571	1 086	564
Total investments in associates	19 746	16 669	10 691

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

7. INVESTMENTS IN ASSOCIATES (continued)

The group recognised US\$3.41bn (2018: US\$3.33bn and 2017: US\$1.92bn) from associates as its share of equity-accounted results in the income statement. Cumulative unrecognised losses relating to associates that have been fully impaired, amounted to US\$4.6m (2018: US\$6.4m and 2017: US\$5.2m) as at 31 March 2019.

The group recognised total dilution losses of US\$181.7m (2018: dilution gains of US\$9.22bn and 2017: dilution losses of US\$119.0m) as part of "Dilution gains/(losses) on equity-accounted investments" in the income statement. The aggregate net dilution losses include US\$173.3m related to dilutions in the group's shareholding in Tencent, Delivery Hero, MakeMyTrip and Mail.ru.

The total dilution loss presented in the income statement also includes US\$7.9m relating to the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following shareholding dilutions.

Impairment losses related mainly to an equity-accounted investment focussed on the provision of consumer lending and financial services in the payments business. The group impaired this investment as performance and the opportunity to leverage the investment in some of the group's core markets fell below expectations.

The prior year dilution gain presented in the income statement included a gain of US\$9.10bn relating to the group's disposal of approximately 6% of its interest in Tencent during March 2018 (refer to note 2).

The group's share of equity-accounted investments' other comprehensive income and reserves relates mainly to the revaluation of the associates' investments at fair value through other comprehensive income.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

7. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March ⁽¹⁾			31 March ⁽¹⁾		
	Tencent Holdings Limited			Mail.ru Group Limited		
	2019 US\$'m	2018 US\$'m	2017 US\$'m	2019 US\$'m	2018 US\$'m	2017 US\$'m
Dividends received	342	247	191	-	-	-
Non-current assets	77 637	59 758	36 510	2 763	2 971	3 103
Current assets	32 341	28 436	21 657	381	416	232
Total assets	109 978	88 194	58 167	3 144	3 387	3 335
Non-current liabilities	24 564	20 053	15 748	228	169	125
Current liabilities	30 160	24 181	14 694	381	279	265
Total liabilities	54 724	44 234	30 442	609	448	390
Revenue	46 443	36 211	22 483	1 013	898	642
Net profit/(loss) from continuing operations	11 872	10 888	6 101	(125)	30	34
Other comprehensive income/(loss)	286	130	1 847	(5)	(6)	12
Total comprehensive income/(loss)	12 158	11 018	7 948	(130)	24	46

Reconciliation of summarised financial information to carrying value of investment

	31 March ⁽¹⁾			31 March ⁽¹⁾		
	Tencent Holdings Limited			Mail.ru Group Limited		
	2019 US\$'m	2018 US\$'m	2017 US\$'m	2019 US\$'m	2018 US\$'m	2017 US\$'m
Opening net assets	43 961	27 726	18 676	2 939	2 946	2 389
Profit/(loss) for the year	11 872	10 888	6 101	(125)	30	34
Other comprehensive income/(loss)	286	130	1 847	(5)	(6)	12
Transactions with equity holders	2 515	2 811	2 880	111	-	1
Dividends	(1 100)	(792)	(573)	-	-	-
Foreign currency translation effects	(2 280)	3 198	(1 205)	(385)	(45)	471
Other	-	-	-	-	14	39
Closing net assets	55 254	43 961	27 726	2 535	2 939	2 946
Non-controlling interests	(4 871)	(3 349)	(1 688)	(6)	(1)	(1)
	50 383	40 612	26 038	2 529	2 938	2 945
Group's effective interest in associate (at year-end)	15 669	12 655	8 658	709	831	845
Goodwill	11	11	11	121	143	145
Carrying value of investment	15 680	12 666	8 669	830	974	990

⁽¹⁾ Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

7. INVESTMENTS IN ASSOCIATES (continued)

Material associates' summarised financial information

	31 March ⁽¹⁾			31 March ⁽¹⁾		
	MakeMyTrip Limited ⁽²⁾			Delivery Hero SE		
	2019 US\$'m	2018 US\$'m	2017 US\$'m	2019 US\$'m	2018 US\$'m	2017 US\$'m
Non-current assets	187	298	-	746	1 052	
Current assets	502	616	-	982	942	
Total assets	689	914	-	1 728	1 994	
Non-current liabilities	60	63	-	168	242	
Current liabilities	183	184	-	367	274	
Total liabilities	243	247	-	535	516	
Revenue	481	520	-	769	408	
Net loss from continuing operations	(170)	(241)	-	(69)	(295)	
Other comprehensive (loss)/income	(94)	69	-	(107)	(68)	
Total comprehensive loss	(264)	(172)	-	(176)	(363)	

Reconciliation of summarised financial information to carrying value of investment

	31 March ⁽¹⁾			31 March ⁽¹⁾		
	MakeMyTrip Limited ⁽²⁾			Delivery Hero SE		
	2019 US\$'m	2018 US\$'m	2017 US\$'m	2019 US\$'m	2018 US\$'m	2017 US\$'m
Opening net assets	668	471	-	1 478	-	
Loss for the year	(170)	(241)	-	(69)	(295)	
Other comprehensive (loss)/income	(94)	69	-	(107)	(68)	
Acquisitions/disposals	-	326	-	-	1 602	
Transactions with equity holders	42	43	-	20	195	
Foreign currency translation effects	-	-	-	(130)	45	
Other	-	-	-	1	(1)	
Closing net assets	446	668	-	1 193	1 478	
Non-controlling interests	-	1	-	3	2	
	446	669	-	1 196	1 480	
Group's effective interest in associate (at year-end)	190	287	204	267	335	
Goodwill	274	282	265	934	1 039	
Carrying value of investment	464	569	469	1 201	1 374	

⁽¹⁾ Reflects the summarised financial information of the above associates as at 31 December, adjusted for significant transactions and events that take place during the lag period applied for accounting purposes.

⁽²⁾ The group acquired its interest in MakeMyTrip during January 2017. As the group's interest in MakeMyTrip is accounted for on a three-month lag basis, the group commenced accounting for its share of the results and net assets of MakeMyTrip for the first time during the 2018 financial year and accordingly the prior year carrying value of the investment represents only the initial interest acquired.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

7. INVESTMENTS IN ASSOCIATES (continued)

Other associates' summarised financial information

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Net loss from continuing operations	(166)	(172)	(146)
Other comprehensive income	32	-	15
Total comprehensive loss	(134)	(172)	(131)
Carrying value of investments	1 571	1 086	564
Total carrying value of investments in associates	19 746	16 669	10 691

The group had no capital commitments or contingent liabilities at 31 March 2019, 2018 and 2017 in respect of its investments in associates.

8. INVESTMENTS IN JOINT VENTURES

The following information relates to the group's financial interest in its significant joint ventures:

Name of joint venture	Effective percentage interest ⁽¹⁾			Nature of business	Country of incorporation	Func- tional currenc	Year-end
	2019 %	2018 %	2017 %				
Unlisted companies							
Souq Group Limited ⁽²⁾	-	-	36.4	Ecommerce	Singapore	US\$	December
Konga Online Shopping Limited ⁽²⁾	-	-	50.9	Ecommerce	Nigeria	NGN	December
Sympla Internet Soluções SA ⁽³⁾	-	34.2	24.7	Ecommerce	Brazil	BRL	December
Silver Brazil JVCo B.V. (OLX Brazil)	50.0	50.0	50.0	Classifieds	The Netherlands	US\$	December
El Cocinero a Cuerda S.L. (SinDelantal Mexico)	26.4	25.3	23.1	Online food delivery services	Spain	EUR	December

⁽¹⁾ The percentage interest shown is the financial effective interest, after disregarding the interests of equity compensation plans treated as treasury shares and taking into account retention options. The group's financial effective interest is, in some instances, impacted by its shareholding in intermediate holding companies.

⁽²⁾ The group disposed of its interests in Souq Group Limited and Konga Online Shopping Limited during 2018 – refer to note 2 for details regarding these disposals.

⁽³⁾ The group gained control of Sympla Internet Soluções SA during the current period.

Adjustments are made for significant transactions and events that take place where lag periods are applied.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

8. INVESTMENTS IN JOINT VENTURES (continued)

	31 March		
	2019 US\$m	2018 US\$m	2017 US\$m
Opening balance	74	66	204
Joint ventures acquired - gross consideration	19	20	31
net assets acquired	19	13	28
goodwill and other intangibles recognised	-	7	3
Joint ventures classified as held for sale (refer to note 14)	-	-	(102)
Joint venture disposed of ⁽¹⁾	(5)	-	-
Share of current year other reserve movements	-	-	2
Share of equity-accounted results	3	(14)	(56)
Equity-accounted results due to acquisition accounting	(1)	(2)	(3)
amortisation of other intangible assets	(2)	(2)	(3)
realisation of deferred taxation	1	-	-
Foreign currency translation effects	5	4	(10)
Closing balance	95	74	66

⁽¹⁾ During the current reporting period, the group increased its interest in Sympia Internet Soluções SA resulting in the entity becoming a subsidiary.

The group recognised US\$1.8m (2018: US\$16.4m and 2017: US\$58.7m) as its share of equity-accounted profits in 2019 from joint ventures in the income statement. Cumulative unrecognised losses relating to joint ventures that have been fully impaired, amounted to US\$nil (2018: US\$nil and 2017: US\$21.6m) as at 31 March 2019.

No impairment losses (2018: US\$nil and 2017: US\$nil) on investments in joint ventures have been recorded.

The group's share of joint ventures' other comprehensive income and reserves relates mainly to share-based compensation transactions.

None of the group's interests in joint ventures are considered to be individually material. The group had no capital commitments or contingent liabilities in respect of its investments in joint ventures at 31 March 2019, 2018 and 2017.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

9. INVESTMENTS AND LOANS

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Investments at fair value through other comprehensive income	47	30	30
Investments in convertible notes of associates	-	32	13
Loans to related parties	-	-	6
Total investments and loans	47	62	49

Investments at fair value through other comprehensive income were previously referred to as available-for-sale investments in terms of IAS 39 *Financial Instruments: Recognition and Measurements*. Following the application of IFRS 9 *Financial Instruments* in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods. There is no current intention to dispose of these investments.

Included in the 2018 and 2017 balance of investments at fair value through other comprehensive income is an amount of US\$28.3m (2017: US\$27.7m) relating to equity investments and investments in funds that were measured at cost less accumulated impairment losses in terms of IAS 39. The fair value of these investments could not be measured with sufficient reliability on account of the group's minority shareholding and the associated lack of future cash flow information.

Significant equity investments at fair value through other comprehensive income

Significant equity investments at fair value through other comprehensive income include the following:

	31 March	
	2019 US\$'m	2019 US\$'m
	Fair	Dividend Income
Unlisted Investments		
Creditas Financial Solutions Limited	13	-
Grishin Robotics Fund, L.P.	8	-
SV Angel Funds	9	1
Bakkt Holdings LLC	5	-
Other	12	-
Total investments and loans	47	1

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

10. DEFERRED TAXATION

The deferred tax assets and liabilities and movements thereon were attributable to the following items:

	1 April 2018 US\$'m	Charged to income US\$'m	Acquisitio of subsi- diaries businesses US\$'m	Disposals of sub- sidiaries and businesses US\$'m	Foreign exchange effects US\$'m	31 March 2019 US\$'m
Deferred taxation assets						
Provisions and other current liabilities	5	4	-	(3)	-	6
Tax losses carried forward	19	(10)	-	1	(2)	8
Other	18	(2)	-	-	(1)	15
Total deferred tax assets	42	(8)	-	(2)	(3)	29
Offsetting of deferred tax liabilities	(17)					(15)
Net deferred tax assets	25					14
Deferred taxation liabilities						
Intangible assets	200	(13)	8	(1)	(25)	169
Other	22	(1)	-	-	1	22
Total deferred tax liabilities	222	(14)	8	(1)	(24)	191
Offsetting of deferred tax liabilities	(17)					(15)
Net deferred tax liabilities	205					176
Net deferred taxation	(180)	6	(8)	(1)	21	(162)

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

10. DEFERRED TAXATION (continued)

	1 April 2017 US\$'m	Charged to income US\$'m	Acquisition of subsi- diaries and businesses US\$'m	Foreign exchange effects US\$'m	31 March 2018 US\$'m
Deferred taxation assets					
Provisions and other current liabilities	3	1	-	1	5
Tax losses carried forward	32	(13)	-	-	19
Other	16	2	-	-	18
Total deferred tax assets	51	(10)	-	1	42
Offsetting of deferred tax liabilities	(27)				(17)
Net deferred tax assets	24				25
Deferred taxation liabilities					
Intangible assets	212	(18)	7	(1)	200
Other	43	(20)	-	(1)	22
Total deferred tax liabilities	255	(38)	7	(2)	222
Offsetting of deferred tax liabilities	(27)				(17)
Net deferred tax liabilities	228				205
Net deferred taxation	(204)	28	(7)	3	(180)

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

10. DEFERRED TAXATION (continued)

	1 April 2016 US\$'m	Charged to income US\$'m	Charged compre- hensive income US\$'m	Acquisition of subsi- diaries and businesses US\$'m	Disposals of sub- sidiaries and businesses US\$'m	Foreign exchange effects US\$'m	31 March 2017 US\$'m
Deferred taxation assets							
Provisions and other current liabilities	10	(4)	-	-	(4)	1	3
Tax losses carried forward	9	8	18	-	-	(3)	32
Other	-	10	5	-	(1)	2	16
Total deferred tax assets	19	14	23	-	(5)	-	51
Offsetting of deferred tax liabilities							(27)
Net deferred tax assets							24
Deferred taxation liabilities							
Intangible assets	212	(22)	-	5	(17)	34	212
Other	21	-	24	-	-	(2)	43
Total deferred tax liabilities	233	(22)	24	5	(17)	32	255
Offsetting of deferred tax liabilities							(27)
Net deferred tax liabilities							228
Net deferred taxation	(214)	36	(1)	(5)	12	(32)	(204)

The ultimate outcome of additional taxation assessments may vary from the amounts accrued. However, management believes that any additional taxation liability over and above the amounts accrued would not have a material adverse impact on the group's combined income statement and statement of financial position.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

10. DEFERRED TAXATION (continued)

The group has tax losses carried forward of approximately US\$2.4bn (2018: US\$1.8bn and 2017: US\$1.7bn). A summary of the tax losses carried forward at 31 March 2019 by tax jurisdiction and the expected expiry dates are set out below:

	Africa US\$'m	Asia US\$'m	Europe US\$'m	Latin America and USA US\$'m	Other US\$'m	Total US\$'m
Expires in year one	-	28	168	4	-	200
Expires in year two	-	29	155	-	-	184
Expires in year three	-	23	138	-	7	168
Expires in year four	-	24	132	-	7	163
Expires in year five	-	22	325	19	8	374
after year five	20	47	1 237	54	-	1 358
	20	173	2 155	77	22	2 447

Total deferred taxation assets amount to US\$14.3m (2018: US\$25.1m and 2017: US\$24.0m), of which US\$8.8m (2018: US\$11.2m and 2017: US\$9.7m) are expected to be utilised within the next 12 months and US\$5.5m (2018: US\$13.9m and 2017: US\$14.3m) after 12 months. Total deferred taxation liabilities amount to US\$175.6m (2018: US\$205.4m and 2017: US\$228.2m), of which US\$17.5m (2018: US\$15.9m and 2017: US\$15.7m) will be settled within the next 12 months and US\$158.1m (2018: US\$189.6m and 2017: US\$212.5m) after 12 months.

Included in the group's recognised deferred tax assets is an amount of US\$nil (2018: US\$nil and 2017: US\$43.4m), of which the utilisation depends on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset arises has suffered a loss in either the current or a preceding period. These entities are expected to return to profitability in the foreseeable future.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

11. INVENTORY

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Carrying value			
Finished products, trading inventory and consumables	155	147	100
Gross inventory	155	147	100
Allowance for slow-moving and obsolete inventories	(7)	(8)	(6)
Net inventory	148	139	94

The total allowance charged to the income statement to write inventory down to net realisable value amounted to US\$1.9m (2018: US\$4.0m and 2017: US\$3.2m), and reversals of these allowances amounted to US\$1.4m (2018: US\$3.1m and 2017: US\$1.8m). Net realisable value write-downs relate primarily to inventory within the retail segment.

12. TRADE RECEIVABLES

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Carrying value			
Trade accounts receivable, gross	155	186	144
Less: Allowance for impairment of receivables	(20)	(17)	(6)
	135	169	138
The movement in the allowance for impairment of trade receivables during the year was as follows:			
Opening balance	(17)	(6)	(11)
Additional allowances charged to income statement	(7)	(13)	(3)
Allowances reversed through the income statement	1	1	1
Allowances utilised	-	1	1
Disposal of subsidiaries	1	-	4
Foreign currency translation effects	1	-	2
Closing balance	(20)	(17)	(6)

The group's maximum exposure to credit risk at the reporting date is the carrying value of the trade receivables mentioned above. The group does not hold any form of collateral as security relating to trade receivables. Refer to note 36 for the group's credit risk management. Refer to note 1 for the group's adoption of IFRS 9 in 2019.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

12. TRADE RECEIVABLES (continued)

At 31 March 2019, 2018 and 2017 the total allowance for impairment of trade receivables comprised both portfolio allowances and specific allowances. The majority of the allowance related to a portfolio allowance, which cannot be identified with specific receivables.

The ageing of trade receivables as well as the amount of the impairment allowance per age class is presented below:

	31 March 2019			31 March 2018		31 March 2017	
	Carrying value US\$'m	Impairment US\$'m	Expected loss rate	Carrying value US\$'m	Impairment US\$'m	Carrying value US\$'m	Impairment US\$'m
Current	102	(1)	1%	134	-	111	-
Past due 30 to 59 days	17	(1)	6%	13	(1)	12	(1)
Past due 60 to 89 days	6	(1)	17%	14	(6)	6	-
Past due 90 to 119 days	6	(1)	17%	6	(1)	3	-
Past due 120 days and older	24	(16)	67%	19	(9)	12	(5)
	155	(20)		186	(17)	144	(6)

13. OTHER RECEIVABLES

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Prepayments	98	80	92
Accrued income ⁽¹⁾	22	13	9
Staff debtors*	4	1	1
VAT and related taxes receivable	79	71	52
Merchant and bank receivables* ⁽²⁾	156	141	66
Sundry deposits	8	9	5
Interest receivable on cross-currency interest rate swap*	8	8	-
Disposal proceeds receivable*	97	34	-
Other receivables**	30	12	20
Total other receivables	502	369	245
<i>Less: non-current portion of other receivables⁽³⁾</i>	(6)	(21)	(32)
Current portion of other receivables	496	348	213

⁽¹⁾ Relates to revenue earned from contracts with customers but not yet invoiced. Refer to note 22 for movements in accrued income balances.

⁽²⁾ Merchant and bank receivables are presented net of an allowance for expected impairment (credit) losses of US\$6.5m. Refer to note 36 for details of the group's credit risk management policy.

⁽³⁾ Relates to non-current prepaid rental deposits and employment linked prepayments.

* Financial assets

** Includes financial assets of US\$14.3m (2018: US\$13m and 2017: US\$4m)

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

14. ASSETS CLASSIFIED AS HELD FOR SALE

The assets and liabilities of the group's subsidiary Netpreneur Connections Enterprises, Inc. (Sulit) were classified as held for sale during the year as the group signed an agreement to contribute this investment to Carousell Private Limited (Carousell) in exchange for an equity interest in Carousell (refer to note 39).

In March 2017, the group signed an agreement to dispose of its joint venture Souq Group Limited (Souq) and accordingly classified the investment, with a carrying value of US\$102.3m, as held for sale. Souq formed part of the retail segment. The group concluded the disposal of Souq in May 2017. Refer to note 2 for further details regarding the disposal.

The assets and liabilities classified as held for sale as at 31 March 2019, 2018 and 2017 are detailed in the table below:

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Assets classified as held for sale			
Goodwill and other intangible assets	13	-	-
Investment in joint venture	-	-	102
Trade and other receivables	2	-	-
Cash and cash equivalents	1	-	-
	16	-	102
Liabilities classified as held for sale			
Accrued expenses and other current liabilities	2	-	-
	2	-	-

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

15. RELATED PARTY TRANSACTIONS AND BALANCES

The group entered into transactions and has balances with a number of related parties, including associates, joint ventures, directors (key management personnel), shareholders, and entities under common control. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. The transactions and balances with related parties are summarised below:

	31 March		
	2019 US\$m	2018 US\$m	2017 US\$m
Sale of goods and services to related parties⁽¹⁾			
MakeMyTrip Limited ⁽²⁾	12	15	2
Sindelantal Mexico SA De CV	1	1	1
Various other related parties	5	4	8
	18	20	11

⁽¹⁾ The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships are that of associates.

⁽²⁾ Revenue earned from MakeMyTrip Limited, the group's associate, relates to payment services provided by PayU.

	31 March		
	2019 US\$m	2018 US\$m	2017 US\$m
Services received from related parties⁽¹⁾			
MIH Holdings Proprietary Limited	7	8	8
MIH Ecommerce Holdings Proprietary Limited	4	6	-
Naspers Limited	11	9	6
Various other related parties	4	3	2
	26	26	16

⁽¹⁾ The group receives corporate and other services rendered by a number of its related parties. The nature of these related party relationships are that of entities under the common control of the group's ultimate controlling parent, Naspers Limited. An allocation of corporate costs from Naspers Limited of US\$11.7m (2018: US\$14.5m and 2017: US\$6.1m) is included above.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

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

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Receivables			
Myriad/MIH (Malta) Limited	22	34	38
MIH Holdings Proprietary Limited	6	1	1
Other	4	4	2
<i>Less: Allowance for impairment of loans and receivables⁽¹⁾</i>	(13)	(13)	(17)
Total related party receivables	19	26	24
<i>Less: non-current portion of related party receivables</i>	-	-	-
Current portion of related party receivables	19	26	24
Payables			
Myriad/MIH (Malta) Limited	16	22	18
MIH Holdings Proprietary Limited	1	3	1
Showmax B.V.	17	-	-
Other	5	6	8
Total related party payables	39	31	27
<i>Less: non-current portion of related party payables</i>	(2)	(4)	(5)
Current portion of related party payables	37	27	22
The movement in the allowance for impairment of related party receivables during the year was as follows:			
Opening balance	(13)	(17)	(11)
Additional allowances charged to the income statement	-	-	(6)
Allowances reversed through the income statement	-	4	-
Closing balance	(13)	(13)	(17)

⁽¹⁾ Refer to note 36 for the group's impairment methodology for related party receivables.

Refer to note 9 for the group's non-current related party loans and receivables.

Terms of significant related party receivables and payables:

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

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

15. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Key management remuneration

The aggregate amounts of remuneration of key management personnel during the relevant periods are as follows:

	2019	2018	2017
	US\$'000	US\$'000	US\$'000
Short-term employee benefits ⁽¹⁾	12 420	13 705	13 331
Post-employment benefits	518	793	912
Share-based payment expense	28 249	26 352	28 825
	41 187	40 850	43 068

⁽¹⁾ Short-term employee benefits consist of base salary, short-term incentives and other short-term benefits.

Key management comprises the Naspers Limited group CODM (refer to note 1) and other members of Naspers Limited senior management with oversight responsibilities for the Prosus N.V. group.

Comparatives have not been restated to account for changes in the composition of key management.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

16. OTHER RESERVES

	31 March		
	2019 US\$m	2018 US\$m	2017 US\$m
Other reserves in the statement of financial position comprise:			
Foreign currency translation reserve	(1 470)	(73)	(946)
Valuation reserve	641	1 565	1 271
Existing control business combination reserve	(1 087)	(2 014)	(1 868)
Share-based compensation reserve	1 688	1 297	952
	(228)	775	(591)

The foreign currency translation reserve relates to exchange differences arising on the translation of foreign operations' income statements and statements of comprehensive income at average exchange rates for the year and their statements of financial position at the ruling exchange rates at the reporting date if the functional currency differs from the group's presentation currency. The movement on the foreign currency translation reserve for the year relates primarily to the effects of foreign exchange rate fluctuations related to the group's net investments in its subsidiaries.

The valuation reserve relates to fair-value changes in financial assets at fair value through other comprehensive income, remeasurements on post-employment benefit plans, differences between the fair value and the contractually stipulated value of shares issued in business combinations and other acquisitions as well as the group's share of equity-accounted investees' revaluations of their financial assets at fair value through other comprehensive income. Following the adoption of IFRS 9 in the current year, no amounts contained in the valuation reserve will be reclassified to the income statement in future periods. During the prior year, US\$128.5m (2017: US\$59.3m) previously recognised as the group's share of other comprehensive income of equity-accounted investments, was reclassified to the income statement by equity accounted investees in accordance with IAS 39 and was therefore included in the group's share of equity-accounted results.

The existing control business combination reserve is used to account for transactions with non-controlling shareholders, whereby the excess of the cost of the transactions over the acquirer's proportionate share of the net asset value acquired/sold is allocated to this reserve in equity. Written put options and other obligations that may require the group to purchase its own equity instruments by delivering cash or another financial asset are also initially recognised from this reserve. Similarly, written put options and other similar obligations are reclassified to this reserve in the event of cancellation or expiry. On disposal of a business, any amounts accumulated in the existing control business combination reserve in respect of that business are transferred to retained earnings.

The grant date fair value of share incentives issued to employees in equity-settled share-based payment transactions is accounted for in the share-based compensation reserve over the vesting period, if any. The reserve is adjusted at each reporting period when the entity revises its estimates of the number of share incentives that are expected to vest. The impact of revisions of original estimates, if any, is recognised in the income statement, with a corresponding adjustment to this reserve in equity.

A significant proportion of the group's foreign currency translation, valuation and share-based compensation reserves relates to the group's interests in its equity-accounted investments, particularly Tencent.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

17. LONG-TERM LIABILITIES

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Interest-bearing: Capitalised finance leases	5	7	-
Total liabilities	8	10	-
Less: Current portion	(3)	(3)	-
Interest-bearing: Loans and other liabilities	3 237	3 202	2 198
Total liabilities	3 247	3 216	2 898
Less: Current portion	(10)	(14)	(700)
Non-interest-bearing: Loans and other liabilities	2	7	-
Total liabilities	11	58	23
Less: Current portion	(9)	(51)	(23)
Net long-term liabilities	3 244	3 216	2 198

Interest-bearing: Capitalised finance leases

Type of lease	Currency year-end balance	Year of final repayment	Weighted average year-end interest rate	31 March		
				2019 US\$'m	2018 US\$'m	2017 US\$'m
Buildings, computers, furniture and office equipment	Various	Various	Various	8	10	-
Total capitalised finance leases				8	10	-

Maturity profile

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Minimum instalments			
Payable within year one	3	3	-
Payable within year two	2	3	-
Payable within year three	2	3	-
Payable within year four	2	2	-
	9	11	-
Future finance costs on finance leases	(1)	(1)	-
Present value of finance lease liabilities	8	10	-
Present value			
Payable within year one	3	3	-
Payable within year two	2	3	-
Payable within year three	2	2	-
Payable within year four	1	2	-
Present value of finance lease liabilities	8	10	-

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

17. LONG-TERM LIABILITIES (continued)

Interest-bearing: Loans and other liabilities

	Asset secured	Currency of year-end balance	Year of final repay- ment	Weighted average year-end interest rate	31 March		
					2019 US\$'m	2018 US\$'m	2017 US\$'m
Unsecured							
Publicly traded bond		US\$	2017	6.40%	-	-	700
Publicly traded bond		US\$	2020	6.00%	1 000	1 000	1 000
Publicly traded bond		US\$	2025	5.50%	1 200	1 200	1 200
Publicly traded bond		US\$	2027	4.85%	1 000	1 000	-
Financiadora de Estudos e Projectos (Finep)		BRL	2020	4.50%	4	-	-
Itaú Unibanco Holding S.A.		BRL	2020 - 2021	11.00%	4	-	-
Syndicated facility ⁽¹⁾		ZAR	2022	JIBAR + 1.9%	9	14	-
Various institutions		Various	Various	Various	5	11	9
Secured							
Exim Bank S.A.	Buildings	RON and EUR	2019 - 2028	1.58% - 4.12%	19	6	-
Raiffeisen Bank S.A.	Buildings	RON and EUR	2019 - 2028	1.58% - 4.12%	19	-	-
Total facilities					3 260	3 231	2 909
Unamortised loan costs					(13)	(15)	(11)
					3 247	3 216	2 898

(1) This is a syndicated facility between Investec Bank Limited and Rand Merchant Bank.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

17. LONG-TERM LIABILITIES

Non-interest-bearing: Loans and other liabilities

Loans	Asset secured	Currency of year-end balance	Year of final repay- ment	31 March		
				2019 US\$'m	2018 US\$'m	2017 US\$'m
Unsecured						
Earn-out obligations		Various	Condi- tional	6	55	23
Other		Various	Various	5	3	-
				11	58	23
Total long-term liabilities						
<i>Repayment terms of long-term liabilities (excluding capitalised finance leases)</i>						
Payable within year one				19	65	723
Payable within year two				1 011	12	3
Payable within year three				5	1 003	-
Payable within year four				4	2	1 004
Payable within year five				6	7	2
Payable after year five				2 226	2 200	1 200
				3 271	3 289	2 932
Unamortised loan costs				(13)	(15)	(11)
				3 258	3 274	2 921
<i>Interest rate profile of long-term liabilities (long- and short-term portion, including capitalised finance leases)</i>						
Liabilities at fixed rates: 1 to 12 months				6	17	700
Liabilities at fixed rates: more than 12 months				3 201	3 203	2 195
Interest-free loans				11	58	23
Liabilities linked to variable rates				48	6	3
				3 266	3 284	2 921

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

17. LONG-TERM LIABILITIES (continued)

Reconciliation of liabilities arising from financing activities

	Finance	Interest	Non-interest
	lease	bearing	bearing
	liabilities	liabilities	liabilities
	31 March		
	2019	2019	2019
	US\$'m	US\$'m	US\$'m
Balance at 1 April 2018	10	3 216	58
Additional liabilities recognised	-	60	2
Repayments of long- and short-term debt	(1)	(26)	(2)
Settlements of earnout obligations	-	-	(23)
Settlements of obligations relating to investing activities	-	-	(17)
Interest accrued	-	2	-
Remeasurement of contingent consideration	-	-	(3)
Acquisition of subsidiary	-	1	-
Disposal of subsidiary	-	(1)	-
Amortisation of transaction costs	-	2	-
Foreign exchange translation	(1)	(7)	(4)
Balance at 31 March 2019	8	3 247	11
Less: Current portion	(3)	(10)	(9)
Non-current liabilities	5	3 237	2
	Finance	Interest	Non-interest
	lease	bearing	bearing
	liabilities	liabilities	liabilities
	31 March		
	2018	2018	2018
	US\$'m	US\$'m	US\$'m
Balance at 1 April 2017	-	2 898	23
Additional liabilities recognised	9	1 013	47
Repayments	(1)	(706)	(8)
Interest accrued	1	1	-
Acquisition of subsidiary	-	14	-
Amortisation of transaction costs	-	3	-
Capitalisation of transaction costs	-	(7)	-
Foreign exchange translation	1	-	(4)
Balance at 31 March 2018	10	3 216	58
Less: Current portion	(3)	(14)	(51)
Non-current liabilities	7	3 202	7

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

18. OTHER NON-CURRENT LIABILITIES

	31 March		
	2019 US\$'m	2018 US\$'m	2017
Written put option liabilities ⁽¹⁾	827	2 394	2 218
Post-employment liabilities	2	2	2
Total other liabilities	829	2 396	2 220
<i>Less: Current portion of other liabilities included in accrued expenses and other current liabilities (refer to note 20)</i>	(289)	(1 527)	(510)
Non-current portion of other liabilities	540	869	1 710

⁽¹⁾ Relates to put options written over the non-controlling interests in the group's letgo classifieds business, Dante International S.A. (eMAG), Mobile Internet Movel S.A. and various other smaller ecommerce units.

During the year, the group recognised an aggregate gain on the remeasurement of written put option liabilities of US\$52.8m (2018: US\$252.1m expense and 2017: US\$621.7m expense) as part of "Other finance (costs)/income - net" in the income statement (refer to note 25). The decrease in written put option liabilities is mainly due to the settlement of the written put options held by the non-controlling interest in Avito, Dubizzle and letgo USA (refer to note 2 for information regarding the acquisitions of non-controlling interest in these businesses during the year).

The maturity profile of the group's written put option liabilities is detailed in the table below and reflects the first date on which the respective written put options can be contractually exercised:

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Exercisable within one year	289	1 527	510
Exercisable within one to two years	286	-	906
Exercisable after two to five years	252	867	793
Exercisable after more than five years	-	-	9
Total other liabilities	827	2 394	2 218

The group has the contractual discretion to settle all written put option obligations either in cash or in Naspers N ordinary shares.

The majority of the group's written put option liabilities are exercisable when non-controlling shareholders request an initial public offering (IPO) of the relevant group subsidiary and the IPO is either declined by the group or is ultimately unsuccessful.

Sensitivity analysis

The measurement of written put option liabilities is based on discounted cash flow analyses as well as prices observed in orderly transactions. At 31 March 2019, 27% of the total balance of written put option liabilities have been measured using discounted cash flow analyses. Accordingly, the measurement of written put option liabilities is subject to significant estimation uncertainty. The following analysis illustrates the sensitivity of written put option liabilities to reasonably possible changes in the most significant underlying variables used in their measurement:

Increase/(decrease) in written put option liabilities and loss/(gain) in the income statement	31 March 2019 US\$'m
	1% increase in the discount rate and a 1% decrease in the terminal growth rate
1% decrease in the discount rate and a 1% increase the terminal growth rate	44

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

18. OTHER NON-CURRENT LIABILITIES (continued)

Sensitivity analysis (continued)

Other assumptions contained in the discounted cash flow analyses used by the group when valuing written put option liabilities vary widely between obligations due to the group's diverse range of business models and are closely linked to entity-specific key performance indicators.

Movements during the year on the group's written put option liabilities are detailed below. Cash flows arising from the settlement of written put option liabilities are presented as part of financing activities in the statement of cash flows.

	31 March		
	2019 US\$m	2018 US\$m	2017 US\$m
Opening balance	2 394	2 218	1 505
Additional obligations raised	83	-	143
Remeasurements recognised in the income statement	(53)	252	622
Settlements	(1 566)	(62)	(49)
Expirations and cancellations	-	-	(27)
Foreign currency translation effects	(31)	(14)	24
Closing balance	827	2 394	2 218

19. PROVISIONS

	31 March		
	2019 US\$m	2018 US\$m	2017 US\$m
Pending litigation	10	8	11
Reorganisation	2	-	-
Long-service and retirement gratuity	4	6	2
Other	1	15	12
Total provisions	17	29	25
<i>Less: Non-current portion of provisions</i>	(3)	(6)	(5)
Current portion of provisions	14	23	20

Provisions relate to a variety of obligations for the group as follows:

The group is currently involved in various litigation matters. The litigation provision has been estimated based on legal counsel and management's estimates of costs and possible claims relating to these.

The provision for long service and retirement gratuity relates to the estimated cost of these employee benefits.

The provision for reorganisation relates to the relocation costs of certain of our operations.

Included in other provisions are estimated amounts related to other regulatory matters.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

20. ACCRUED EXPENSES AND OTHER CURRENT

	31 March		
	2019	2018	2017
	US\$'m	US\$'m	US\$'m
Deferred income ⁽¹⁾	42	36	22
Accrued expenses*	160	162	169
Amounts owing in respect of investments acquired*	47	13	3
Taxes and other statutory liabilities	72	65	47
Bonus accrual	46	41	24
Accrual for leave	10	10	6
Other personnel accruals	27	21	15
Payments received in advance	14	33	24
Cash-settled share-based payment liability (refer to note 38)	168	164	113
Payables from reverse factoring arrangements*	57	35	14
Merchant payable*	285	232	130
Written put option liabilities (refer to note 18)*	289	1 527	510
Other current liabilities**	20	4	11
	1 237	2 343	1 088

⁽¹⁾ Relates to revenue received in advance from contracts with customers. Refer to note 22 for movements in deferred income balances.

* Financial liabilities

** Includes financial liabilities of US\$14.3m (2018: US\$4m and 2017: US\$11m)

21. COMMITMENTS AND CONTINGENCIES

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing facilities and internally generated funds.

(a) Capital expenditure

Commitments in respect of contracts placed for capital expenditure at 31 March 2019 amount to US\$5.6m (2018: US\$nil and 2017: US\$nil).

(b) Other commitments

The group entered into contracts for the receipt of various services. These service contracts are for the receipt of information technology and computer support services, access to networks, consulting services and contractual relationships with customers, suppliers and employees. The group's commitments in respect of these agreements amount to US\$23.2m (2018: US\$12.9m and 2017: US\$15.1m).

(c) Operating lease commitments

The group has the following operating lease commitments at 31 March:

	31 March		
	2019	2018	2017
	US\$'m	US\$'m	US\$'m
Minimum operating lease payments:			
Payable in year one	34	24	19
Payable in year two	34	17	11
Payable in year three	33	16	8
Payable in year four	27	18	1
Payable in year five	17	18	1
Payable after five years	36	5	1
	181	98	41

The group leases office, manufacturing and warehouse space under various non-cancellable operating leases. Certain contracts contain renewal options and escalation clauses for various periods of time.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

21. COMMITMENTS AND CONTINGENCIES (continued)

(d) Litigation claims

Taxation matters

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group has a contingent asset of US\$177.0m (2018: US\$nil and 2017: US\$nil) related to amounts receivable from tax authorities.

(e) Assets pledged as collateral

The group pledged property, plant and equipment, investments, cash and cash equivalents, accounts receivable and inventory as collateral against its finance leases and other secured liabilities with an outstanding balance of US\$46.4m (2018: US\$15.3m and 2017: US\$nil). Refer to note 17 for further details.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

	Reportable segment(s) where revenue is included	31 March		
		2019 US\$'m	2018 US\$'m	2017 US\$'m
Online sale of goods revenue	Etail and classifieds	1 193	1 059	916
Classifieds listings revenue	Classifieds	606	477	308
Payment transaction commissions and fees	Payments and fintech	309	257	141
Mobile and other content revenue	Other ecommerce	159	141	107
Food delivery revenue	Food delivery	159	115	53
Travel package revenue and commissions	Travel	27	53	116
Advertising revenue	Classifieds	100	98	81
Comparison shopping commissions and fees	Other ecommerce	45	59	73
Other revenue	Various	56	44	40
		2 654	2 303	1 835

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

The group has recognised the following assets and liabilities in the statement of financial position that relate to revenue from contracts with customers:

Accrued income (refer to note 13)

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Accrued income	22	13	9
Accrued income net of impairment allowance⁽¹⁾	22	13	9

⁽¹⁾ Refer to note 36 for the group's credit risk management policy. Impairment allowances recorded on accrued income balances were not significant.

Deferred income (refer to note 20)

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Deferred income	42	36	22
	42	36	22

Revenue recognised in relation to deferred income liabilities

The following table depicts the amount of revenue recognised in each reporting period that related to amounts included within the opening balance of deferred income for that reporting period:

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Revenue recognised that was included in the deferred income balance at the beginning of the year	24	16	9

There were no significant changes in accrued income or deferred revenue balances during any of the periods presented.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

22. REVENUE FROM CONTRACTS WITH CUSTOMERS (continued)

Unsatisfied long-term contracts

The group has no unsatisfied long-term contracts as at 31 March 2019. As permitted by the transitional provisions of IFRS 15, the group has not disclosed the transaction price allocated to partially or fully unsatisfied long-term contracts for periods prior to 31 March 2019.

23. EXPENSES BY NATURE

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Operating profit includes the following items:			
Depreciation classification			
Selling, general and administration expenses	25	24	20
Amortisation classification			
Selling, general and administration expenses	94	97	104
Operating leases			
Minimum lease payments	6	5	6
Staff costs			
As at 31 March 2019, the group had 15 078 (2018: 12 559 and 2017: 10 739) permanent employees.			
The total cost of employment of all employees, including executive directors, was as follows:			
Salaries, wages and bonuses	682	571	476
Retirement benefit costs	-	2	1
Medical aid fund contributions	1	1	1
Post-employment benefits	1	2	1
Training costs	7	7	6
Retention option expense	11	7	1
Share-based compensation expenses	111	162	94
Total staff costs	813	752	580
Advertising expenses	292	371	570
Cost of inventories sold	1 102	996	886

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

24. OTHER (LOSSES)/GAINS - NET

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Loss on sale of assets	(1)	(1)	(1)
Fair-value adjustments on financial instruments	(27)	1	4
Impairment losses	(7)	(27)	(28)
impairment of goodwill and other intangible assets	(7)	(4)	(28)
impairment of other assets	-	(23)	-
Other	(5)	-	-
Total other (losses)/gains - net	(40)	(27)	(25)

Refer to notes 3, 4 and 5 for further information on the above impairments.

25. FINANCE (COSTS)/INCOME

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Interest expense			
Loans and overdrafts	(196)	(190)	(192)
Other	(4)	(5)	(8)
	(200)	(195)	(200)
Interest income			
Loans and bank accounts	265	31	15
Other	-	3	2
	265	34	17
Net profit/(loss) from foreign exchange translation and fair-value adjustments on derivative financial instruments			
On translation of assets and liabilities	46	(5)	(15)
On translation of forward exchange contracts and cross-currency interest rate swaps	15	(73)	(1)
	61	(78)	(16)
Remeasurement of written put option liabilities	53	(252)	(622)
Other finance income/(costs) - net	114	(330)	(638)
Total finance income/(costs) - net	179	(491)	(821)
26. GAINS ON ACQUISITIONS AND DISPOSALS			
Profit on sale of investments	1 618	47	35
Gains recognised on loss of control transactions	-	-	228
Remeasurement of contingent consideration	3	(5)	1
Acquisition-related costs	(18)	(13)	(15)
Remeasurement of previously held interest	7	1	-
	1 610	30	249

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

27. TAXATION

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Normal taxation	264	67	47
current year	261	67	47
prior year	3	-	-
Deferred taxation	(6)	(28)	(36)
current year	(15)	(28)	(34)
prior year	9	-	(2)
Total taxation per income statement	258	39	11
Reconciliation of taxation			
Taxation at statutory rates ⁽¹⁾	1 128	2 849	87
Adjusted for:			
non-deductible expenses ⁽²⁾	59	94	151
non-taxable income ⁽²⁾	(55)	(2 340)	(57)
temporary differences not provided for ⁽³⁾	106	195	176
assessed losses (utilised)/unprovided	(4)	(3)	1
initial recognition of prior year taxes	-	-	(7)
other taxes	9	13	12
tax attributable to equity-accounted earnings	(853)	(822)	(458)
tax adjustment for foreign taxation rates	(132)	53	106
Taxation provided in income statement	258	39	11

⁽¹⁾ The reconciliation of taxation has been performed using the statutory tax rate of Prosus N.V. of 25% (2018: 25% and 2017: 25%). The impact of different tax rates applied to profits earned in other jurisdictions is disclosed above as "Tax adjustment for foreign taxation rates".

⁽²⁾ Non-deductible expenses relate primarily to impairment losses and dilutions of equity-accounted investments. Non-taxable income relates primarily to the gains on disposals of subsidiaries and associates.

⁽³⁾ Temporary differences not provided for relate primarily to loss-making entities that did not recognise deferred tax assets.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

28. PROFIT FROM DISCONTINUED OPERATIONS

The group concluded the disposal of its subsidiaries Allegro.pl and Ceneo.pl in January 2017 (refer to note 2). The results and cash flows of these entities have been presented as discontinued operations in these combined annual financial statements.

Income statement information of discontinued operations

	31 March
	2017
	US\$'m
Revenue	327
Expenses	(190)
Profit before tax	137
Taxation	(16)
Profit for the period	121
Gain on disposal of discontinued operation	1 941
Profit from discontinued operations	2 062

Cash flow statement information of discontinued operations

	31 March
	2017
	US\$'m
Net cash generated from operating activities	127
Net cash utilised in investing activities	(12)
Net cash utilised in financing activities	(15)
Net increase in cash generated by discontinued operations	100

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

29. CASH FROM OPERATIONS

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Profit before tax from continuing operations per income statement	4 510	11 394	349
Adjustments relating to continuing operations:			
Non-cash and other	(4 701)	(11 698)	(972)
Loss on sale of assets	1	1	1
Depreciation and amortisation	119	121	124
Retention option expense	11	7	1
Share-based compensation expenses	111	162	94
Net finance (income)/ cost	(179)	491	821
Share of equity-accounted results	(3 408)	(3 292)	(1 857)
Impairment/(reversal) of impairment of equity-accounted investments	88	46	(1)
Gains on acquisitions and disposals	(1 628)	(43)	(264)
Dilution losses/(gains) on equity-accounted investments	182	(9 224)	119
Net realisable value adjustments on inventory, net of reversals	1	3	-
Impairment losses	7	27	28
Other	(6)	3	(38)
Operating cash flows of discontinued operations, net of adjustments for non-cash and other items	-	-	127
	(191)	(304)	(496)
Working capital	(76)	(7)	143
Cash movement in trade and other receivables	(50)	(29)	7
Cash movement in payables and accruals	2	50	164
Cash movement in inventories	(28)	(28)	(28)
Total cash from operations	(267)	(311)	(353)

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

30. ACQUISITIONS OF SUBSIDIARIES AND BUSINESSES

	31 March		
	2019 US\$m	2018 US\$m	2017 US\$m
Carrying values of assets and liabilities:			
property, plant and equipment	3	-	1
other intangible assets	58	26	16
net current assets	48	(3)	1
deferred taxation	(8)	(7)	(5)
long-term liabilities	(1)	(14)	-
	100	2	13
Non-controlling interests	(13)	(1)	(1)
Derecognition of equity-accounted investments	(15)	-	-
Remeasurement of previously held interest	(7)	(1)	-
Goodwill	103	43	241
Purchase consideration	168	43	253
Settled through the issuance of equity instruments of the group	-	-	(126)
Employment-linked prepayment	-	-	18
Amount to be settled in future	-	-	(1)
Net cash in subsidiaries and businesses acquired	(66)	(4)	(4)
Net cash outflow from acquisitions of subsidiaries and businesses	102	39	140

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

31. DISPOSALS OF SUBSIDIARIES AND BUSINESSES

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Carrying values of assets and liabilities:			
property, plant and equipment	-	-	19
goodwill	8	-	786
other intangible assets	4	-	83
net assets	29	-	23
deferred taxation	(1)	-	(12)
other liabilities	(9)	-	41
foreign currency translation reserve realised	10	-	220
	41	-	1 160
Consideration transferred	-	-	112
Non-controlling interests	(10)	-	(17)
Existing control business combination reserve	(1)	-	(30)
Gain on disposal	24	-	2 204
shown as part of continuing operations	24	-	263
shown as part of discontinued operations	-	-	1 941
Selling price	54	-	3 429
Net cash in subsidiaries and businesses disposed of	(37)	-	(178)
Shares received as settlement	-	-	(468)
Loan settled	-	-	575
Net cash inflow from disposals of subsidiaries and businesses	17	-	3 358

32. ACQUISITION OF AND ADDITIONAL INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Included in acquisition of and additional investments in associates of US\$1 277.0m (2018: US\$1 923.5m and 2017: US\$231.4m) are the following: Swiggy US\$716.4m, BYJU US\$383.2m, Frontier Car Group US\$89.4m, Honor US\$35.0m, PaySense US\$11.5m and other acquisitions of US\$41.5m (2018: Delivery Hero US\$1 343.0m, MakeMyTrip US\$155.0m, Swiggy US\$121.0m, Remitly US\$100.0m, Kreditech US\$99.0m, FlipKart US\$71.0m, Joymode US\$11.2m, Brainly US\$9.3m and other acquisitions of US\$13.5m and 2017: Brainly US\$13.0m, Codecademy US\$22.0m, Udemy US\$70.0m, MakeMyTrip US\$91.6m and other acquisitions of US\$35.8m). These investments were classified as investments in associates.

Included in acquisition of and additional investments in joint ventures of US\$17.8m (2018: US\$17.4m and 2017: US\$25.6m) is El Cochinero US\$8.8m and THL MIH Limited US\$7.8m and other additional investments of US\$1.2m (2018: WeChat US\$6.5m, Sympla US\$4.6m, El Cochinero US\$4.3m and Silver Brazil JVCo US\$2.0m and 2017: Silver Brazil JVCo US\$11.6m and other acquisitions of US\$13.5m). These investments were classified as investments in joint ventures.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

33. SHORT-TERM INVESTMENTS

The carrying values of short-term investments as at 31 March 2019 are shown below.

	Weighted average interest rate	31 March		
		2019 US\$'m	2018 US\$'m	2017 US\$'m
Money-market investments	2.9%	6 967	-	-
Accrued interest income		70	-	-
		7 037	-	-

The money-market investments of US\$6.97bn (2018: US\$nil, 2017: US\$nil) are denominated in US dollar.

The above investments have maturity dates (from the date of acquisition) of between three and 12 months and have accordingly not been disclosed as part of cash and cash equivalents.

Short-term investments are classified as financial assets at amortised cost. Due to their short-term nature, the carrying values of these investments are considered to be a reasonable approximation of their fair values. None of the group's short-term investments were past due or subject to significant impairment allowances as at 31 March 2019.

Short-term investments are held by entities that have the same functional currencies as the currencies in which the investments are denominated and accordingly do not give rise to foreign currency risk. Due to the nature of short-term investments, there is an insignificant exposure to price risk.

Refer to note 36 for further information regarding the credit risk of short-term investments.

34. CASH AND CASH EQUIVALENTS

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Cash at bank and on hand	1 221	478	616
Short-term bank deposits ⁽¹⁾	910	10 331	2 593
Bank overdrafts	(8)	(1)	-
	2 123	10 808	3 209
Restricted cash			
The following cash balances are restricted from immediate use:			
Africa	4	3	2
Europe	100	82	61
Other	29	37	19
Total restricted cash	133	122	82

⁽¹⁾ The group invested a significant portion of its cash and cash equivalents in short-term cash investments during the year. Refer to note 33 for further details.

Restricted cash is still included in cash and cash equivalents due to the fact that it mostly relates to cash held on behalf of customers.

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decisionmaker (CODM) in order to allocate resources to the segments and to assess their performance. The CODM has been identified as the group's executive directors, who make strategic decisions. The Prosus N.V. group will have the same governance structures as its ultimate controlling parent, Naspers Limited. It will have the same board and management oversight, including the same individuals comprising the CODM. Accordingly, the CODM for Naspers Limited will be the same CODM for the Prosus N.V. group. The segments of the Prosus N.V. group will be the same as that reported by Naspers Limited, excluding the ecommerce businesses in South Africa as well as the video-entertainment and media businesses which do not form part of the Prosus N.V. group.

The group proportionately consolidates its share of the results of its associated companies and joint ventures in its reportable segments. This is considered to be more reflective of the economic value of these investments and corresponds to the manner in which the CODM assesses segmental performance.

The group has identified its operating segments based on its business by service or product as follows: social and internet platforms and ecommerce. Below are the types of services and products from which each segment generates revenue:

Ecommerce – the group operates internet platforms to provide various services and products. These platforms and communities offer ecommerce. The reportable segments within ecommerce include classifieds, payments and fintech, food delivery, etail, travel and other ecommerce.

- *Classifieds* – the group operates a number of leading online classifieds platforms comprising general classifieds (such as OLX and letgo) and verticals (automotive and real estate verticals) in more than 40 markets globally.
- *Payments and fintech* – operates one of the largest mobile and online payment platforms in 18 markets through PayU, an online payment services provider. This segment also includes the group's fintech and credit interests via associates and subsidiaries.
- *Food delivery* – the group invests in leading global online food ordering and delivery platforms operating in regions including India, Latin America and across Europe, Asia and the Middle East through its investments in Delivery Hero and iFood.
- *Etail* – comprises the group's etail subsidiaries (eMAG) and, up to the first half of 2019, the group's associate Flipkart. The group's operations are spread across Central and Eastern Europe, South Africa and India.
- *Travel* – the group through its investment in MakeMyTrip in India operates a platform for online travel services including flight tickets and hotel reservations.
- *Other ecommerce* – this segment comprises the group's online comparison shopping interests as well as its mobile and other content businesses.

Social and internet platforms – The group's holds listed investments in social and internet platforms through Tencent, China's largest and most used internet services platform and Mail.ru, the leading internet company in Russian speaking markets.

Corporate – this segment comprises entities providing various corporate functions and activities.

Sales between the above segments are eliminated in the "Eliminations" column. The revenue from external parties and all other items of income, expenses, profits and losses reported in the segment report is measured in a manner consistent with that in the income statement. EBITDA, as presented in the segmental report, refers to earnings before interest, tax, depreciation, amortisation and cash-settled share-based payment expenses.

The revenues from external customers for each major group of products and services are disclosed in note 22. The group is not reliant on any one major customer as the group's products are consumed by the general public in a large number of countries.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)

	Revenue		
	Year ended		
	31 March 2019		
	US\$'m	US\$'m	US\$'m
	External	Inter- segmental	Total
Ecommerce	3 596	-	3 596
- Classifieds	857	-	857
- Payments and fintech	354	6	360
- Food delivery	377	-	377
- Etail	1 529	-	1 529
- Travel	233	1	234
- Other	246	(7)	239
Social and internet platforms	14 744	-	14 744
- Tencent	14 457	-	14 457
- Mail.ru	287	-	287
Corporate	-	-	-
Total economic interest	18 340	-	18 340
Less: Equity-accounted investments	(15 686)	-	(15 686)
Total combined	2 654	-	2 654

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)

	Revenue					
	Year ended			Year ended		
	2018			2017		
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
	External	Inter-segmental	Total	External	Inter-segmental	Total
Continuing operations						
Ecommerce	3 342	-	3 342	2 518	33	2 551
- Classifieds	614	-	614	409	10	419
- Payments and fintech	288	6	294	142	44	186
- Food delivery	166	-	166	54	-	54
- Etail	1 837	1	1 838	1 585	9	1 594
- Travel	211	-	211	120	3	123
- Other and eliminations	226	(7)	219	208	(33)	175
Social and internet platforms	12 281	-	12 281	7 692	-	7 692
- Tencent	12 024	-	12 024	7 506	-	7 506
- Mail.ru	257	-	257	186	-	186
Corporate	-	-	-	-	-	-
Total economic interest from continuing operations	15 623	-	15 623	10 210	33	10 243
Less: Equity-accounted investments	(13 320)	-	(13 320)	(8 375)	-	(8 375)
Eliminations	-	-	-	-	(33)	(33)
Total combined from continuing operations	2 303	-	2 303	1 835	-	1 835
Total combined from discontinued operations (refer to note 28)	-	-	-	327	-	327
Total combined	2 303	-	2 303	2 162	-	2 162

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)

	Year ended 31 March 2019					
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
	Total revenue	COPS and SGA⁽¹⁾	EBITDA	Depreciation	Amortisation of software	Trading (loss)/profit
Ecommerce	3 596	(4 095)	(499)	(36)	(17)	(552)
- Classifieds	857	(847)	10	(13)	(3)	(6)
- Payments and fintech	360	(399)	(39)	(4)	-	(43)
- Food delivery	377	(539)	(162)	(4)	(5)	(171)
- Etail	1 529	(1 616)	(87)	(13)	(1)	(101)
- Travel	234	(270)	(36)	(1)	-	(37)
- Other	239	(424)	(185)	(1)	(8)	(194)
Social and internet platforms	14 744	(10 375)	4 369	(400)	(17)	3 952
- Tencent	14 457	(10 133)	4 324	(388)	(7)	3 929
- Mail.ru	287	(242)	45	(12)	(10)	23
Corporate	-	(14)	(14)	(1)	(2)	(17)
Total economic interest	18 340	(14 484)	3 856	(437)	(36)	3 383
Less: Equity-accounted investments	(15 686)	11 571	(4 115)	412	20	(3 683)
Total combined	2 654	(2 913)	(259)	(25)	(16)	(300)

⁽¹⁾ Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)

	Year ended 31 March 2018					
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
	Total revenue	COPS and SGA ⁽¹⁾	EBITDA	Depreciation	Amortisation of software	Trading (loss)/profit
Ecommerce	3 342	(3 941)	(599)	(44)	(9)	(652)
- Classifieds	614	(720)	(106)	(13)	(1)	(120)
- Payments and fintech	294	(354)	(60)	(3)	(1)	(64)
- Food delivery	166	(186)	(20)	(6)	(4)	(30)
- Etail	1 838	(2 044)	(206)	(16)	(1)	(223)
- Travel	211	(270)	(59)	(2)	-	(61)
- Other and eliminations	219	(367)	(148)	(4)	(2)	(154)
Social and internet platforms	12 281	(8 284)	3 997	(255)	(16)	3 726
- Tencent	12 024	(8 099)	3 925	(245)	(5)	3 675
- Mail.ru	257	(185)	72	(10)	(11)	51
Corporate	-	(14)	(14)	-	-	(14)
Total economic interest	15 623	(12 239)	3 384	(299)	(25)	3 060
Less: Equity-accounted investments	(13 320)	9 582	(3 738)	275	17	(3 446)
Total combined	2 303	(2 657)	(354)	(24)	(8)	(386)

⁽¹⁾ Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)

	Year ended 31 March 2017					
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
	Total revenue	COPS and SGA ⁽¹⁾	EBITDA	Depreciation	Amortisation of software	Trading (loss)/profit
Continuing operations	2 551	(3 375)	(824)	(33)	(9)	(866)
Ecommerce	419	(740)	(321)	(8)	(1)	(330)
- Classifieds	186	(252)	(66)	(2)	(1)	(69)
- Payments and fintech	54	(49)	5	-	-	5
- Food delivery	1 594	(1 830)	(236)	(19)	(3)	(258)
- Etail	123	(210)	(87)	(1)	-	(88)
- Travel	175	(294)	(119)	(3)	(4)	(126)
- Other and eliminations	7 692	(4 728)	2 964	(191)	(12)	2 761
Social and internet platforms	7 506	(4 618)	2 888	(183)	(4)	2 701
- Tencent	186	(110)	76	(8)	(8)	60
- Mail.ru	-	(14)	(14)	-	-	(14)
Corporate	10 243	(8 117)	2 126	(224)	(21)	1 881
Total economic interest from continuing operations	(8 375)	5 598	(2 777)	204	13	(2 560)
Less: Equity-accounted investments	(33)	33	-	-	-	-
Eliminations	1 835	(2 486)	(651)	(20)	(8)	(679)
Total combined from continuing operations	327	(183)	144	(5)	(2)	137
Total combined from discontinued operations (refer to note 28)	2 162	(2 669)	(507)	(25)	(10)	(542)

⁽¹⁾ Refers to cost of providing services and sale of goods as well as selling, general and administration expenses.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)
Additional disclosure

	Year ended 31 March 2019		
	US\$'m	US\$'m	US\$'m
	Impairment of assets	Remeasurement of written put option liabilities	Share of equity-accounted results
Ecommerce	(7)	53	(252)
- Classifieds	-	86	5
- Payments and fintech	-	3	(29)
- Food delivery	-	-	(66)
- Etail	(2)	7	(43)
- Travel	(1)	-	(73)
- Other	(4)	(43)	(46)
Social and internet platforms	(806)	-	3 661
- Tencent	(799)	-	3 696
- Mail.ru	(7)	-	(35)
Total reportable segments	(813)	53	3 409
Less: Equity-accounted investments ⁽¹⁾	806	-	-
Total	(7)	53	3 409

⁽¹⁾ All associates' and joint ventures' results are accounted for using the equity method.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)
Additional disclosure (continued)

	Year ended 31 March 2018		Year ended 31 March 2017				
	US\$m	US\$m	US\$m	US\$m			
		US\$m		US\$m			
	(Impairment)/ reversal of impairment of assets	Remeasurement of written put option liabilities	Share of equity- accounted results	Impairment of goodwill	Share of equity- accounted results		
Ecommerce	(34)	(252)	(333)	(23)	(622)	(5)	(190)
- Classifieds	(9)	(228)	(5)	-	(483)	-	(19)
- Payments and fintech	-	(6)	(16)	-	(4)	-	(1)
- Food delivery	(1)	-	(36)	-	-	-	-
- Etail	(22)	(23)	(145)	(23)	(35)	(3)	(151)
- Travel	(7)	-	(103)	-	-	-	-
- Other	5	5	(28)	-	(100)	(2)	(19)
Social and internet platforms	(141)	-	3 625	(236)	-	-	2 047
- Tencent	(141)	-	3 616	(236)	-	-	2 037
- Mail.ru	-	-	9	-	-	-	10
Corporate	-	-	-	(1)	-	-	-
Total reportable segments	(175)	(252)	3 292	(260)	(622)	(5)	1 857
Less: Equity-accounted investments ⁽¹⁾	148	-	-	237	-	-	-
Total	(27)	(252)	3 292	(23)	(622)	(5)	1 857

⁽¹⁾ All associates' and joint ventures' results are accounted for using the equity method.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)

Trading profit/(loss) as presented in the segment disclosure is the CODM's measure of each segment's operational performance. A reconciliation of the segmental trading profit/(loss) to operating profit/(loss) and profit before tax as reported in the income statement is provided below:

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Trading loss from continuing operations per segment report	(300)	(386)	(679)
Adjusted for:			
Amortisation of other intangible assets	(78)	(89)	(96)
Other (losses)/gains - net	(40)	(27)	(25)
Retention option expense	(11)	(7)	(1)
Share-based incentives calculated on a cash-settled basis ⁽¹⁾	35	(77)	6
Share-based incentives settled in Naspers Limited shares ⁽²⁾	(24)	(29)	(23)
Operating loss per the income statement	(418)	(615)	(818)
Interest received	265	34	17
Interest paid	(200)	(195)	(200)
Other finance income/(costs) - net	114	(330)	(638)
Share of equity-accounted results	3 408	3 292	1 857
(Impairment)/reversal of impairment of equity-accounted investments	(88)	(46)	1
Dilution (losses)/gains on equity-accounted investments	(182)	9 224	(119)
Gains on acquisitions and disposals	1 610	30	249
Profit before taxation per the income statement	4 509	11 394	349

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

⁽²⁾Refers to share-based incentives settled in equity instruments of the Naspers Limited group, where the Prosus Group has no obligation to settle the awards with participants, i.e. they are settled by Naspers Limited.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

35. SEGMENT INFORMATION (continued)

Geographical information

The group operates in five main geographical areas:

Africa - The group derives revenues primarily from payments and fintech and classifieds services and products.

Asia - The group's activities comprise its interests in internet activities based in China, India, Thailand and Singapore.

Europe - The group's activities comprise its interest in internet activities based in Central and Eastern Europe and Russia. Furthermore, the group generates revenue from services provided by subsidiaries based in the Netherlands.

Latin America - The group's activities comprise its interests in internet activities based in Brazil and other Latin American countries.

Other - Includes the group's provision of various products and internet services located mainly in Australia and the United States of America.

	Africa US\$'m	Latin America US\$'m	Asia US\$'m	Europe US\$'m	Other US\$'m	Total US\$'m
March 2019						
External consolidated revenue	31	423	215	1 895	90	2 654
External proportionately consolidated revenue ⁽¹⁾	31	469	15 270	2 431	139	18 340
March 2018						
External consolidated revenue	13	372	168	1 679	71	2 303
External proportionately consolidated revenue ⁽¹⁾	13	410	13 097	2 006	97	15 623
March 2017						
External consolidated revenue from continuing operations	3	272	172	1 334	54	1 835
External proportionately consolidated revenue from continuing operations ⁽¹⁾	3	298	8 304	1 529	76	10 210

⁽¹⁾ Revenue includes the group's proportionate share of associates' and joint ventures' external revenue.

Revenue is allocated to a country based on the location of subscribers or users/customers.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

36. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. These include the effects of changes in debt and equity markets, foreign currency exchange rates and interest rates. The group's overall risk management programme seeks to minimise the potential adverse effects of financial risks on its financial performance. The group uses derivative financial instruments, such as forward exchange contracts and interest rate swaps, to hedge certain risk exposures.

Risk management is carried out by management under policies approved by the board of directors and its risk management committee. Management identifies, evaluates and, where appropriate, hedges financial risks. The various boards of directors within the group provide written policies, in line with the overall group policies, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and the investment of excess liquidity.

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk. A substantial portion of the group's revenue is denominated in the currencies of the countries in which it operates.

Following the acquisition of the group's interests in Delivery Hero SE and Kreditech Holding SSL GmbH during the 2018 financial year (refer to note 2), the group is exposed to significant foreign exchange translation risk as a result of these investments being euro denominated.

To hedge its exposure to the foreign currency translation risk arising on translation of certain of the group's euro denominated equity-accounted investments to the group's US dollar presentation currency, the group entered into a cross-currency interest rate swap agreement. The cross-currency interest rate swap agreement has been designated as a net investment hedge.

The cross-currency interest rate swap matures in July 2025 and on maturity the group will exchange €700m for US\$786.5m. The group has designated only the spot exchange rate element of the cross-currency interest rate swap as forming part of the hedging relationship. The hedge ratio is 1:1.

During the current year, total gains of US\$89.9m (2018: losses of US\$122.9m and 2017: US\$nil) were recognised on the cross-currency interest rate swap agreement. Gains of US\$77.3m (2018: US\$53.4m and 2017: US\$nil) have been recognised in the foreign currency translation reserve relating to the net investment hedge. Gains of US\$12.6m (2018: losses of US\$69.5m and 2017: US\$nil) were recognised as part of "Other finance (costs)/income – net" in the income statement. This relates to the element of the cross-currency interest rate swap not designated as part of the hedging relationship.

The group has entered into an agreement, maturing within the next 12 months, to exchange US\$180m for HKD1.41bn (Hong Kong dollars) at an average exchange rate US\$/HKD 7.82.

The group does not apply hedge accounting with respect to any of its forward exchange contracts outstanding as at 31 March 2019.

Where the group has surplus funds offshore, the treasury policy is to spread the funds between more than one currency to limit the effect of foreign exchange rate fluctuations and to generate the highest possible interest income. As at 31 March 2019 the group had a net cash balance of US\$9.16bn (2018: US\$10.81bn and 2017: US\$3.21bn). These funds are largely denominated in US dollar which is also the functional currency of the relevant group subsidiary in which the cash is held.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

36. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

Foreign currency sensitivity analysis

The group's presentation currency is the US dollar, but as it operates internationally, it is exposed to a number of currencies, of which the exposure to the US dollar, euro, Indian rupee and Russian rouble is the most significant. The group is also exposed to the Chinese yuan renminbi and Brazil real, albeit to a lesser extent. For purposes of the below analysis, financial instruments are only considered sensitive to foreign exchange rates when they are not denominated in the functional currency of the group entity holding the relevant financial instrument.

The sensitivity analysis details the group's sensitivity to a 10% decrease (2018 and 2017: 10% decrease) in the Indian rupee and Russian rouble against the US dollar as well as a 10% increase of the US dollar against the euro (2018 and 2017: 10% increase of the US dollar against the euro). These movements would result in a US\$52.2m decrease in net profit after tax for the year (2018: US\$75.1m increase and 2017: US\$1.3m increase). Total equity would decrease by US\$89.0m (2018: US\$72.1m decrease and 2017: US\$51.4m increase).

This analysis includes only outstanding foreign currency denominated monetary assets and liabilities (i.e. those monetary assets and liabilities denominated in a currency that differs from the relevant group company's functional currency) and adjusts their translation at the period-end for the above percentage changes in foreign currency rates. The sensitivity analysis includes external loans, as well as loans to foreign operations within the group, but excludes translation differences due to translating from functional currency to presentation currency. The analysis has been adjusted for the effect of hedge accounting.

Foreign exchange rates

The exchange rates used by the group to translate foreign entities' income statements, statements of comprehensive income and statements of financial position are as follows:

	31 March 2019		31 March 2018		31 March 2017	
	Average rate	Closing rate	Average rate	Closing rate	Average rate	Closing rate
Currency (1FC = US\$)						
South African rand	0.0723	0.0690	0.0774	0.0845	0.0713	0.0745
Euro	1.1537	1.1218	1.1786	1.2323	1.0940	1.0652
Chinese yuan renminbi	0.1485	0.1490	0.1517	0.1594	0.1483	0.1452
Brazilian real	0.2622	0.2548	0.3097	0.3026	0.3061	0.3202
Indian rupee	0.0143	0.0145	0.0155	0.0154	0.0149	0.0154
Polish zloty	0.2684	0.2606	0.2794	0.2922	0.2516	0.2517
Russian rouble	0.0153	0.0152	0.0173	0.0175	0.0159	0.0178

The average rates listed above are only approximate average rates. The group measures separately the transactions of each of its material operations, using the particular currency of the primary economic environment in which the operation conducts its business, translated at the prevailing exchange rate on the transaction date.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

36. FINANCIAL RISK MANAGEMENT (continued)

Foreign exchange risk (continued)

Foreign exchange rates (continued)

The below table details the group's unhedged liabilities that are denominated in a currency other than the functional currency of the settling entity:

	31 March 2019		31 March 2018		31 March 2017	
	Currency amount of liabilities		Currency amount of liabilities		Currency amount of liabilities	
	'm	US\$m	'm	US\$m	'm	US\$m
Uncovered liabilities						
US dollar	32	32	31	31	1	1
British pound	1	1	1	1	-	-
Euro	8	9	13	17	40	42
Polish zloty	-	-	-	-	1	-
Indian rupee	-	-	192	3	-	-
Other	-	-	-	8	2	1

Derivative financial instruments

The following table details the group's derivative financial instruments:

	31 March 2019		31 March 2018		31 March 2017	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	US\$m	US\$m	US\$m	US\$m	US\$m	US\$m
Current portion						
Forward exchange contracts	-	3	2	-	-	4
Shareholders' liabilities	-	-	-	-	-	12
Interest rate and cross-currency swaps	-	-	-	1	-	6
	-	3	2	1	-	22
Non-current portion						
Derivatives embedded in leases	1	-	1	-	-	-
Interest rate and cross-currency swaps	-	33	-	123	-	2
	1	33	1	123	-	2
Total	1	36	3	124	-	24

The group's forward exchange contracts and interest rate swaps are subject to master netting arrangements that allow for offsetting of asset and liability positions with the same counterparty in the event of default. None of the group's forward exchange contracts, cross-currency or interest rate swap agreements have been offset in the statement of financial position.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

36. FINANCIAL RISK MANAGEMENT (continued)

Credit risk

The group is exposed to credit risk relating to the following financial assets measured at amortised cost:

Trade receivables and accrued income balances

Trade receivables consist primarily of invoiced amounts from normal trading activities. The group has a diversified customer base across various geographical areas. Various credit checks are performed on new debtors to determine the quality of their credit history. These checks are also performed on existing debtors with long-overdue accounts. Furthermore, current debtors are monitored to ensure they do not exceed their credit limits.

The group's trade receivables arise mainly in its etail, classifieds and online content businesses as well as, but to a lesser extent, from its online comparison shopping and payments businesses. Average payment terms vary considerably between the group's businesses, given the diverse nature of their operations. Average payment terms, however, generally do not exceed 60 days from date of invoice.

Accrued income balances relate to unbilled revenue that has been earned and have substantially similar risk characteristics as trade receivables. Accrued income balances arise mainly in the group's etail businesses and are included within "Other receivables" in the statement of financial position.

The group applies the simplified approach mandated by IFRS 9 *Financial Instruments* when measuring impairment loss allowances related to trade receivables and accrued income balances and accordingly the group's impairment allowances on these financial assets equal, at all times, the credit losses expected to arise over the lifetime of these financial assets.

In measuring credit losses expected to arise over the lifetime of trade receivables and accrued income balances, financial assets are grouped according to their shared credit characteristics and aging profile.

The quantification of credit losses expected to arise over the lifetime of trade receivables and accrued income balances is based on (i) the group's actual observed historical loss experience/rates within each business and (ii) forward-looking information that is considered predictive of future credit losses within each business.

The historical loss experience/rates that are taken into account when determining impairment allowances is determined with reference to representative sales periods within each businesses (typically not shorter than 12 months) and the credit losses incurred over that period.

Forward-looking information considered in measuring lifetime expected credit losses include macroeconomic factors, with the most significant factors considered being inflation and unemployment rate increases as these are considered to most significantly affect the future ability of the group's customers to settle their accounts as they fall due for payment. All forward-looking information considered is specific to the economy that most significantly affects the underlying customer's ability to repay the relevant amount due. Due to the group's diverse operations, the forward-looking information considered and the values assigned to forward-looking information when calculating impairment allowances vary by business type and country in which the customer is located.

Related party loans and receivables

Related party loans and receivables consist primarily of balances with a number of entities under the common control of Naspers Limited, the group's ultimate controlling parent, as well as with certain associates of the group. These financial assets are considered by nature to be trade receivables and accordingly are subject to the simplified impairment methodology outlined in IFRS9.

Other receivables

Credit risk related to other receivables arises mainly from accrued income balances, merchant and bank receivables and disposal proceeds receivable.

Accrued income

The credit risk profile and impairment methodology applied to accrued income balance that are included within "Other receivables" in the statement of financial position is outlined above.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

36. FINANCIAL RISK MANAGEMENT (continued)

Credit risk (continued)

Other receivables (continued)

Merchant and bank receivables

Merchant and bank receivables balances relate to transactions, primarily in the group's payments and fintech and food delivery segments, where the group facilitates the payment process between the end consumer and the provider of goods and services (i.e. the merchant).

Impairment allowances are established on merchant and bank receivables by considering the group's historical loss experience/rates as well as forward-looking information. The group also considers whether the underlying counterparty is a new or recurring customer. The credit risk inherent in merchant and bank receivables is also reduced by the group's right to offset amounts receivable from counterparties against the corresponding amounts payable to banks and other merchants (refer to note 20) in the event of default. An average payment terms of 30 days generally apply to merchant and bank receivables.

As at 31 March 2019, an impairment allowance of US\$6.5m has been recognised with respect to merchant and bank receivables

Disposal proceeds receivable

Disposal proceeds receivable relate to amounts held in escrow following disposals of group businesses to external parties. These amounts are generally held in escrow by the relevant purchaser as security for the group's warranty and indemnity obligations in terms of disposal agreements.

The group assesses, on a continuing basis, whether a significant increase in credit risk has taken place with respect to the relevant underlying counterparty. At 31 March 2019, impairment allowances related to disposal proceeds receivable were not significant.

Cash and cash equivalents, short-term investments and derivative assets

The group is exposed to certain concentrations of credit risk relating to its cash, short-term investments and derivative assets. There are no significant concentrations of credit risk relating to derivative financial assets. The group places these instruments mainly with major banking groups and high-quality institutions that have high credit ratings. The group's treasury policy is designed to limit exposure to any one institution and to invest excess cash in low-risk investment accounts. As at 31 March 2019, 2018 and 2017 the group held the majority of its cash and cash equivalents, short-term investments and derivative assets with local and international banks with a 'Baa1' credit rating or higher. The majority of the group's short-term investments are placed with international banks with an 'A1' credit rating (Moody's International's long-term deposit rating). The credit standings of counterparties that are used by the group are evaluated on a continuous basis.

Total impairment losses on financial assets at amortised cost

Total impairment losses (net of reversals) recorded on financial assets measured at amortised cost amounted to US\$12.5m as at 31 March 2019.

Previous accounting policy and methodology regarding impairment of financial assets at amortised cost

The group adopted IFRS 9 *Financial Instruments* for the first time during the current year (refer to note 1) and has applied IFRS 9's requirements, including those relating to impairment of financial assets at amortised cost, on a prospective basis from the beginning of the 2019 financial year. Impairment allowances for 2018 and 2017 were accordingly determined in accordance with the group's previously applied guidance as contained in IAS 39 *Financial Instruments: Recognition and Measurement*. In terms of IAS 39, impairment allowances were determined in terms of an incurred loss model and the group assessed, at each reporting date (or earlier when such assessment was prompted) whether there was objective evidence that a financial asset or group of financial assets may be impaired. The impairment loss was measured as the difference between the financial asset's carrying amount and the present value of the estimated future cash flows that were expected to be recovered.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

36. FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk

Prudent liquidity risk management implies, among other aspects, maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The facilities expiring within one year are subject to renewal at various dates during the next year. The group had the following unutilised banking facilities as at 31 March 2019, 2018 and 2017:

	31 March		
	2019	2018	2017
	US\$'m	US\$'m	US\$'m
On call	35	12	9
Expiring within one year	25	5	16
Expiring beyond one year	2 510	2 500	2 505
	2 570	2 517	2 530

The following analysis details the remaining contractual maturity of the group's non-derivative and derivative financial liabilities. The analysis is based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group can be required to settle the liability. The analysis includes both interest and principal cash flows.

	31 March 2019				
	Carrying value	Contractual cash flows	0 - 12 months	1 - 5 years	5 years +
	US\$'m	US\$'m	US\$'m	US\$'m	US\$'m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	(8)	(9)	(3)	(6)	-
Interest-bearing: Loans and other liabilities	(3 247)	(4 198)	(185)	(1 632)	(2 381)
Non-interest-bearing: Loans and other liabilities	(11)	(11)	(9)	(2)	-
Other non-current liabilities	(538)	(538)	-	(538)	-
Trade payables	(244)	(244)	(244)	-	-
Accrued expenses and other current liabilities ⁽¹⁾	(852)	(852)	(852)	-	-
Related party loans and payables	(39)	(39)	(37)	(2)	-
Bank overdrafts	(8)	(8)	(8)	-	-
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	-	179	179	-	-
Forward exchange contracts - outflow	(1)	(180)	(180)	-	-
Cross-currency interest rate swap - inflow	-	1 063	43	172	848
Cross-currency interest rate swap - outflow	(33)	(1 115)	(29)	(125)	(961)

⁽¹⁾ Includes written put liabilities - refer to note 18.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

36. FINANCIAL RISK MANAGEMENT (continued)
Liquidity risk (continued)

	31 March 2018				
	Carrying value US\$m	Contractual cash flows US\$m	0 - 12 months US\$m	1 - 5 years US\$m	5 years + US\$m
Non-derivative financial liabilities					
Interest-bearing: Capitalised finance leases	(10)	(11)	(3)	(8)	-
Interest-bearing: Loans and other liabilities	(3 216)	(4 338)	(189)	(1 565)	(2 584)
Non-interest-bearing: Loans and other liabilities	(58)	(58)	(50)	(8)	-
Other non-current liabilities	(867)	(867)	-	(867)	-
Trade payables	(290)	(290)	(290)	-	-
Accrued expenses and other current liabilities	(1 976)	(1 976)	(1 976)	-	-
Related party loans and payables	(27)	(27)	(22)	(5)	-
Bank overdrafts	(1)	(1)	(1)	-	-
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	2	3	3	-	-
Forward exchange contracts - outflow	-	(1)	(1)	-	-
Cross-currency interest rate swap -inflow	-	1 106	43	172	891
Cross-currency interest rate swap -outflow	(124)	(1 289)	(33)	(138)	(1 119)
	31 March 2017				
	Carrying value Restated US\$m	Contractual cash flows Restated US\$m	0 - 12 months Restated US\$m	1 - 5 years Restated US\$m	5 years + Restated US\$m
Non-derivative financial liabilities					
Interest-bearing: Loans and other liabilities	(2 898)	(3 704)	(858)	(1 415)	(1 431)
Non-interest-bearing: Loans and other liabilities	(23)	(23)	(23)	-	-
Other non-current liabilities	(1 708)	(1 708)	-	(1 699)	(9)
Trade payables	(254)	(254)	(254)	-	-
Accrued expenses and other current liabilities	(838)	(838)	(838)	-	-
Related party loans and payables	(31)	(31)	(27)	(4)	-
Derivative financial assets/(liabilities)					
Forward exchange contracts - inflow	-	86	86	-	-
Forward exchange contracts - outflow	(4)	(90)	(90)	-	-
Shareholders' liabilities	(12)	(12)	(12)	-	-
Interest rate swaps	(8)	(8)	(6)	(2)	-

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

36. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

As part of the process of managing the group's fixed and floating borrowings mix, the interest rate characteristics of new borrowings and the refinancing of existing borrowings are positioned according to expected movements in interest rates. Where appropriate, the group uses derivative financial instruments, such as interest rate swap agreements, purely for hedging purposes. The fair value of these instruments will not change significantly as a result of changes in interest rates due to their short-term nature and floating interest rates.

The group had an interest rate swap agreement in place with respect to its revolving credit facility (US\$2.5bn facility which is fully undrawn as at 31 March 2019). This interest rate swap agreement commenced on 29 February 2016, had a notional value of US\$500m and carried interest at 2.37%. This interest rate swap expired on 31 October 2018.

The fair values of the group's interest rate swaps amounted to a net liability of US\$1.0m (2017: net liability of US\$7.9m) as at 31 March 2018.

Refer to note 17 for the interest rate profiles and repayment terms of long-term liabilities as at 31 March 2019, 2018 and 2017.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the statement of financial position date (after taking into account the effect of hedge accounting) and the stipulated change taking place at the beginning of the next financial year and held constant throughout the reporting period in the case of instruments that have floating rates. The group is mainly exposed to interest rate fluctuations of the American, European and London repo rates. Management's best estimate of the possible change in these interest rates is an increase of 100 basis points (2018 and 2017: 100 basis points).

If interest rates changed as stipulated above and all other variables were held constant, specifically foreign exchange rates, the group's net profit after tax and total equity for the year ended 31 March 2019 would increase by US\$77.7m (2018: increase on net profit (and equity) by US\$1.4m and 2017: increase on net profit (and equity) by US\$4.7m).

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values, net gains and losses recognised in profit and loss, total interest income, total interest expense and impairment per class of financial instrument are as follows:

	31 March 2019			
	Carrying value US\$'m	Net gains/ (losses) recog- nised in profit or loss US\$'m	Total interest income US\$'m	Impair- ment US\$'m
Assets				
Investments and loans	47	(27)	-	-
Investments in convertible notes of associates	-	(27)	-	-
Financial assets at fair value through other comprehensive income ⁽¹⁾⁽²⁾	47	-	-	-
Receivables and loans	433	(15)	-	13
Trade receivables	135	(3)	-	6
Other receivables	279	(1)	-	7
Foreign currency intergroup receivables	-	(11)	-	-
Related party receivables	19	-	-	-
Derivative financial instruments	1	-	-	-
Derivatives embedded in leases	1	-	-	-
Short-term investments	7 037	-	70	-
Cash and cash equivalents	2 131	16	195	-
Total	9 649	(26)	265	13

(1) During the period a gain of US\$9.0m was recognised in other comprehensive income with respect to the group's financial assets at fair value through other comprehensive income.

(2) Previously referred to as available-for-sale investments in terms of IAS 39 Financial Instruments: Recognition and measurements.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2019		
	Carrying value US\$'m	Net gains/ (losses) recog- nised in profit or loss US\$'m	Total interest expense US\$'m
Liabilities			
Long-term liabilities	3 784	113	187
Interest-bearing: Capitalised finance leases	5	-	-
Interest-bearing: Loans and other liabilities	3 237	-	187
Non-interest-bearing: Loans and other liabilities	2	-	-
Other non-current liabilities	538	113	-
Related party loans and payables	2	-	-
Short-term payables and loans	1 155	(23)	1
Interest-bearing: Capitalised finance leases	3	-	-
Interest-bearing: Loans and other liabilities	10	(1)	1
Non-interest-bearing: Loans and other liabilities	9	3	-
Trade payables	244	(1)	-
Accrued expenses and other current liabilities	852	(27)	-
Related party loans and payables	37	-	-
Foreign currency intergroup payables	-	3	-
Derivative financial instruments	36	15	-
Forward exchange contracts	3	2	-
Cross-currency interest swap	33	13	-
Bank overdrafts	8	-	10
Total	4 983	105	198

The carrying values of all financial instruments, apart from those disclosed below, are considered to be a reasonable approximation of their fair values.

The fair values of the following instruments that are not measured at fair value have been disclosed as their carrying values are not a reasonable approximation of fair value:

Financial liabilities	Carrying value US\$'m	Fair value US\$'m	Level 1 US\$'m	Level 2 US\$'m	Level 3 US\$'m
31 March 2019					
Publicly traded bonds	3 200	3 350	-	3 350	-
<i>31 March 2018</i>					
Publicly traded bonds	3 200	3 357	-	3 357	-
<i>31 March 2017</i>					
Publicly traded bonds	2 900	3 041	-	3 041	-

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2018			
	Carrying value US\$m	Net gains/ (losses) recog- nised in profit or loss US\$m	Total interest income US\$m	Impair- ment US\$m
Assets				
Investments and loans	62	-	-	-
Investments in convertible notes of associates ⁽¹⁾	32	-	-	-
Available-for-sale investments ⁽²⁾	30	-	-	-
Receivables and loans ⁽¹⁾	393	(3)	5	13
Trade receivables	169	(4)	-	12
Other receivables	198	-	1	-
Related party receivables and loans	26	1	4	1
Derivative financial instruments ⁽³⁾	3	-	-	-
Forward exchange contracts	2	-	-	-
Derivatives embedded in leases	1	-	-	-
Cash and cash equivalents ⁽¹⁾	10 809	(11)	29	-
Total	11 267	(14)	34	13

⁽¹⁾ Measured at amortised cost.

⁽²⁾ Measured at fair value through other comprehensive income. During the period a gain of US\$1.0m was recognised in other comprehensive income with respect to the group's available-for-sale investments.

⁽³⁾ Measured at fair value through profit or loss.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2018		
	Carrying value US\$m	Net gains/ (losses) recog- nised in profit or loss US\$m	Total interest expense US\$m
Liabilities			
Long-term liabilities ⁽¹⁾	4 087	(74)	192
Interest-bearing: Capitalised finance leases	7	-	-
Interest-bearing: Loans and other liabilities	3 202	-	190
Non-interest-bearing: Loans and other liabilities	7	-	-
Other non-current liabilities	867	(74)	-
Related party loans and payables	4	-	2
Short-term payables and loans ⁽¹⁾	2 361	(167)	3
Interest-bearing: Capitalised finance leases	3	-	-
Interest-bearing: Loans and other liabilities	14	1	-
Non-interest-bearing: Loans and other liabilities	51	-	-
Trade payables	290	1	-
Accrued expenses and other current liabilities	1 976	(166)	3
Related party loans and payables	27	(3)	-
Derivative financial instruments ⁽²⁾	124	(73)	-
Forward exchange contracts	-	(3)	-
Interest rate and cross-currency swaps	124	(70)	-
Bank overdrafts ⁽¹⁾	1	-	-
Total	6 573	(314)	195

⁽¹⁾ Measured at amortised cost.

⁽²⁾ Measured at fair value through profit or loss.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 March 2017			
	Carrying value US\$m	Net gains/ (losses) recognised in profit or loss US\$m	Total interest income US\$m	Impairment US\$m
Assets				
Investments and loans	49	-	-	-
Investments in convertible notes of associates ⁽¹⁾	13	-	-	-
Available-for-sale investments ⁽²⁾	30	-	-	-
Related party loans ⁽¹⁾	6	-	-	-
Receivables and loans ⁽¹⁾	233	(3)	4	16
Trade receivables	138	-	1	2
Other receivables	71	(1)	1	-
Related party receivables and loans	24	(2)	2	14
Cash and cash equivalents ⁽¹⁾	3 209	9	12	-
Total	3 491	6	16	16

⁽¹⁾ Measured at amortised cost.

⁽²⁾ Measured at fair value through other comprehensive income.

	31 March 2017		
	Carrying value US\$m	Net gains/ (losses) recognised in profit or loss US\$m	Total interest expense US\$m
Liabilities			
Long-term liabilities ⁽¹⁾	3 906	(519)	192
Interest-bearing: Loans and other liabilities	2 198	1	192
Other non-current liabilities	1 708	(520)	-
Short-term payables and loans ⁽¹⁾	1 842	(122)	5
Interest-bearing: Loans and other liabilities	700	-	-
Non-interest-bearing: Loans and other liabilities	23	(1)	-
Trade payables	254	-	-
Accrued expenses and other current liabilities	838	(115)	3
Related party payables and loans	27	(6)	2
Derivative financial instruments ⁽²⁾	24	1	-
Forward exchange contracts	4	(1)	-
Shareholders' liabilities	12	(2)	-
Interest rate swap	8	4	-
Total	5 772	(640)	197

⁽¹⁾ Measured at amortised cost.

⁽²⁾ Measured at fair value through profit or loss.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The group categorises fair-value measurements into levels 1 to 3 of the fair value hierarchy based on the degree to which the inputs used in measuring fair value are observable:

- Level 1 fair-value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair-value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). The fair value of financial instruments that are not traded in active markets (for example, derivatives such as interest rate swaps, forward exchange contracts and certain options) is determined through valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in level 2.
- Level 3 fair-value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Level 2 fair-value measurements

- *Forward exchange contracts* – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include: current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.
- *Interest rate and cross currency swaps* – the fair value of the group's interest rate and cross currency swaps is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate and cross currency swaps include: spot market interest rates, contractually fixed interest rates, foreign exchange rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate and cross currency swap arrangement.

Level 3 fair-value measurements

- *Shareholders' liabilities* – relate predominantly to derivative financial instruments contained in shareholders' agreements to which the group is a party. Where relevant, such derivative financial instruments are valued using option pricing models as well as discounted cash flow analyses. Significant inputs vary between agreements but include: the current fair value of the underlying share over which the instrument is written, the strike price of the option, risk-free interest rates, calculated volatilities and the period to exercise.
- *Earn-out obligations* – relate to amounts that are payable to the former owners of businesses now controlled by the group provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

Instruments not measured at fair value for which fair value is disclosed

- *Level 2* – the fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments at the reporting date. As the instruments are not actively traded, this is a level 2 disclosure.
- *Level 3* – the fair values of all level 3 disclosures have been determined through the use of discounted cash flow analyses. Key inputs include current market interest rates as well as contractual cash flows.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

37. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

	31 March 2019			
	Fair value US\$'m	Level 1 US\$'m	Level 2 US\$'m	Level 3 US\$'m
Assets				
Financial assets at fair value through other comprehensive income	47	-	3	44
Derivatives embedded in leases	1	-	-	1
Total	48	-	3	45
Liabilities				
Forward exchange contracts	3	-	3	-
Earn-out obligations	6	-	-	6
Cross-currency interest rate swap	33	-	33	-
Total	42	-	36	6
	31 March 2018			
	Fair value US\$'m	Level 1 US\$'m	Level 2 US\$'m	Level 3 US\$'m
Assets				
Available-for-sale investments	2	-	2	-
Derivatives embedded in leases	1	-	-	1
Forward exchange contracts	2	-	2	-
Total	5	-	4	1
Liabilities				
Earn-out obligations	55	-	-	55
Cross-currency interest rate swap	123	-	123	-
Total	178	-	123	55
	31 March 2017			
	Fair value US\$'m	Level 1 US\$'m	Level 2 US\$'m	Level 3 US\$'m
Assets				
Available-for-sale investments	2	-	2	-
Total	2	-	2	-
Liabilities				
Forward exchange contracts	4	-	4	-
Shareholders' liabilities	12	-	-	12
Earn-out obligations	23	-	-	23
Interest rate swaps	6	-	6	-
Total	45	-	10	35

There were no transfers between level 1 and level 2 during any period presented.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS

The group had various equity compensation plans in operation during the financial year, the majority of which are classified as cash-settled. In terms of these plans, employees are offered awards in the form of either share options, restricted stock units (RSUs) or share appreciation rights (SARs).

All awards are granted subject to the completion of a requisite service (vesting) period by employees, ranging from one year to five years. Unvested awards are subject to forfeiture on termination of employment. Vesting takes place in tranches depending on the duration of the total vesting period.

In respect of the share options and SARs on exercise date, following completion of the vesting period, awards are settled with employees in the equity instruments of subsidiaries of the Prosus Group for equity-settled plans and in cash or other assets (including shares of the Naspers Limited group) for cash-settled plans, where applicable.

With respect to certain share option plans in which the group's employees participate, awards are settled with employees by the relevant share trust/option plan and the Prosus Group does not have any obligation to settle these award with employees. Such awards are classified as equity-settled.

In respect of RSUs, awards are automatically settled in Naspers Limited equity instruments on the vesting date.

All share options are granted with an exercise price of not less than 100% of the market value or fair value of the respective company's shares on the date of the grant. RSUs are granted with an exercise price of zero. All SARs are granted with an exercise price of not less than 100% of the fair value of the SARs on the date of the grant. All unvested share options/RSUs/SARs are subject to forfeiture upon termination of employment. All cancelled options/RSUs/SARs are cancelled by mutual agreement between the employer and employee.

Although the group has various equity compensation plans in operation, disclosure is provided only for those plans that had the most significant impact on the group's income statement during the current year.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

The following share option and RSU plans were in operation during the financial year:

Share option plan/RSU plan	Maximum awards permissible ⁽¹⁾	Vesting period ⁽²⁾	Period to expiry from date of offer	IFRS 2 classification
Group				
MIH Services FZ LLC Share Trust (MIH Services)	Note 3	a ⁽³⁾	10 years	Equity-settled
Naspers Restricted Stock Plan Trust (Naspers RSU)	Note 4	a	Note 5	Equity-settled
Social and internet platforms				
MIH Russia Internet B.V. Share Trust	10%	c	10 years	Equity-settled
Ecommerce				
OLX B.V. Share Trust	15%	b	7 years and 3 months	Cash-settled
Ambatana Holdings B.V. 2016 Stock Option Plan	5%	a	10 years	Cash-settled
MIH Buscapé Holdings B.V. 2012 Share Trust		c	10 years	Cash-settled
Buscapé Company Brasil Holdings B.V. Share Option Scheme	15%	a	10 years	Cash-settled
MIH In Loco Holdings B.V. share option plan	1%	a	10 years	Equity-settled
iFood.com Share Option Scheme (iFood)	10%	c	10 years	Equity-settled
Mobile Internet Movel S.A. 2013 Share Trust	10%	c	10 years	Equity-settled
Dante International S.A. (eMAG) Share Option Scheme	10%	c	10 years	Cash-settled
MMC PlayKids Holding B.V. Share Option Scheme	15%	c	10 years	Cash-settled
Rapiddo Agencia de Servicios de Entrega Rapida Limitada Stock Option Scheme	10%	a	10 years	Cash-settled

The group provides detailed disclosure for those share option and RSU plans that are considered significant to the combined carve-out financial statements.

Notes in relation to the group's share option and RSU plans:

- ⁽¹⁾ The percentage reflected in this column is the maximum percentage of the respective companies' issued share capital that is available for the plan.
- ⁽²⁾ Vesting period:
 - a One quarter vests after years one, two, three and four.
 - b One third vests after years three, four and five.
 - c One fifth vests after years one, two, three, four and five.
- ⁽³⁾ The vesting period for options granted after 25 August 2017 is one quarter vesting after years one, two, three and four. Options granted before 25 August 2017 vest over three, four and five years respectively.
- ⁽⁴⁾ The Naspers Restricted Stock Plan Trust may issue no more than 200 000 awards in aggregate during any one financial year.
- ⁽⁵⁾ Awards are automatically settled with participants on the vesting date.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

The following share appreciation rights plans were in operation during the financial year:

Share appreciation rights plans	Maximum awards permissible ⁽¹⁾	Vesting period ⁽²⁾	Period to expiry from date of offer	IFRS 2 classification
Social and internet platforms				
MIH China/MIH TC 2008 SAR Scheme	10%	c	5 years and 14 days	Cash-settled
Ecommerce				
Netrepreneur Connections Enterprises Inc (OLX Philippines) SAR Scheme	13%	c	10 years	Cash-settled
MIH Internet SEA Private Limited SAR Scheme	15%	c	10 years	Cash-settled
MIH Food Holdings B.V. SAR Scheme	5%	b	10 years	Cash-settled
MIH India Food Holdings B.V. SAR Scheme	10%	b	10 years	Cash-settled
Avito AB SAR Scheme (Avito)	5%	b	10 years	Cash-settled
CEE Classifieds SAR Scheme	10%	c	10 years	Cash-settled
FixeAds B.V. SAR Scheme	10%	c	10 years	Cash-settled
Tokobagus Exploitatie B.V. SAR Scheme	15%	c	10 years	Cash-settled
Dubizzle Limited SAR Scheme	10%	c	10 years	Cash-settled
Flipkart Limited SAR Scheme	5%	c	10 years	Cash-settled
Naspers Fintech B.V. SAR Scheme (Naspers Fintech)	15%	c	10 years	Cash-settled
Naspers Global Classifieds SAR Scheme (Naspers Global Classifieds)	Note 3	c	10 years	Cash-/equity-settled
Naspers Global Ecommerce SAR Scheme (Naspers Global Ecommerce)	Note 3	c	10 years	Cash-/equity-settled
Naspers Global Online Services SAR Scheme	Note 3	c	10 years	Cash-/equity-settled
Naspers Ventures B.V. SAR Scheme	10%	d	10 years	Cash-settled
SimilarWeb Limited SAR Scheme	5%	c	10 years	Cash-settled
Property24 SAR Scheme	15%	c	10 years	Cash-settled
Dante International S.A. SAR Scheme	2.5%	b	10 years	Cash-settled

The group provides detailed disclosure for those share appreciation rights plans that are considered significant to the financial statements.

Notes in relation to the group's share appreciation rights plans:

- ⁽¹⁾ The percentage reflected in this column is the maximum percentage of the respective companies issued/notional share capital that is available for the plan.
- ⁽²⁾ Vesting period:
- a One third vests after years three, four and five.
 - b One quarter vests after years one, two, three and four.
 - c One fifth vests after years one, two, three, four and five.
 - d One quarter vests after years two, three, four and five.
- ⁽³⁾ The Naspers Global Classifieds, Naspers Global Ecommerce and Naspers Global Online Services SAR schemes may collectively issue no more than 5% of the then total notional shares of all the underlying assets as recorded in the most recent pro forma capitalisation tables. The majority of awards in these schemes are equity-settled.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2019		
	Naspers RSU	MIH Services	iFood
Shares			
Outstanding at 1 April	108 407	2 185 008	65 984
Granted	82 721	326 880	26 590
Exercised	(43 693)	(200 183)	(8 162)
Forfeited	(46 915)	(35 134)	(12 580)
Outstanding at 31 March	100 520	2 276 571	71 832
Available to be implemented at 31 March	-	1 498 368	23 080
Weighted average exercise price	(SA rand)	(SA rand)	(BRL)
Outstanding at 1 April	-	1 332.29	881.82
Granted	-	3 082.67	3 984.58
Exercised	-	1 242.04	358.04
Forfeited	-	2 619.97	1 079.25
Outstanding at 31 March	-	1 492.14	2 055.31
Available to be implemented at 31 March	-	948.08	736.96
Weighted average share price of options taken up during the year			
Shares	43 693	200 183	8 162
Weighted average share price	3 094.60	3 099.02	3 984.58

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share option and RSU plans are as follows:

	31 March 2018		
	Naspers RSU	MIH Services	iFood
Shares			
Outstanding at 1 April	99 604	2 340 315	94 990
Granted	50 568	252 898	11 487
Exercised	(27 127)	(390 796)	(1 627)
Forfeited	(14 638)	(16 292)	(38 866)
Expired	-	(1 117)	-
Outstanding at 31 March	108 407	2 185 008	65 984
Available to be implemented at 31 March	-	1 148 260	22 975
Weighted average exercise price	(SA rand)	(SA rand)	(BRL)
Outstanding at 1 April	-	973.72	461.47
Granted	-	2 945.66	2 233.05
Reduction in strike price	-	(2.05)	-
Exercised	-	193.13	73.73
Forfeited	-	1 977.23	287.65
Expired	-	182.00	-
Outstanding at 31 March	-	1 332.29	881.82
Available to be implemented at 31 March	-	776.58	423.32
Shares	27 127	390 796	1 627
Weighted average share price	3 109.23	3 127.84	2 465.00
31 March 2017			
Shares			
Outstanding at 1 April	93 643	2 274 456	73 824
Granted	86 888	265 715	24 128
Exercised	(47 803)	(179 727)	-
Forfeited	(33 124)	(20 129)	(2 962)
Outstanding at 31 March	99 604	2 340 315	94 990
Available to be implemented at 31 March	-	1 131 780	28 596
Weighted average exercise price	(SA rand)	(SA rand)	(BRL)
Outstanding at 1 April	-	773.64	220.31
Granted	-	2 235.36	1 221.85
Exercised	-	274.86	-
Forfeited	-	1 260.92	628.28
Outstanding at 31 March	-	973.72	461.47
Available to be implemented at 31 March	-	469.84	162.70
Shares	47 803	179 727	-
Weighted average share price	2 187.01	2 137.52	-

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2019			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	500 883	17 157 432	11 881 092	1 292 869
Granted	326 407	7 486 846	1 365 536	350 713
Exercised	(37 789)	(2 701 047)	(398 763)	(230 250)
Forfeited	(113 232)	(1 857 849)	(268 118)	(142 389)
Outstanding at 31 March	676 269	20 085 382	12 579 747	1 270 943
Available to be implemented at 31 March	93 874	5 534 311	7 649 628	360 394
Weighted average exercise price	(US\$)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	69.13	5.99	17.73	44.69
Granted	82.03	8.50	33.43	75.16
Exercised	61.62	5.44	18.66	42.11
Forfeited	70.30	7.39	26.67	46.74
Outstanding at 31 March	75.58	6.87	19.21	53.34
Available to be implemented at 31 March	69.11	5.37	16.40	43.00
Weighted average share price of options taken up during the year				
Shares	37 789	2 701 047	398 763	230 250
Weighted average share price	82.03	8.50	32.38	75.16

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Movements in terms of the group's significant share appreciation rights plans are as follows:

	31 March 2018			
	Avito	Naspers Global Classifieds	Naspers Global Ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	-	13 154 364	10 542 951	1 463 562
Granted	605 429	6 253 259	1 580 021	288 153
Exercised	(18 740)	(516 830)	(186 331)	(167 894)
Forfeited	(85 806)	(1733 361)	(55 549)	(290 952)
Outstanding at 31 March	500 883	17 157 432	11 881 092	1 292 869
Available to be implemented at 31 March	15 363	3 929 738	5 588 826	331 547
Weighted average exercise price	(US\$)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	-	5.23	16.32	40.99
Granted	73.04	7.62	27.19	58.44
Exercised	54.86	5.35	17.42	40.98
Forfeited	58.21	6.30	19.67	41.84
Outstanding at 31 March	69.13	5.99	17.73	44.69
Available to be implemented at 31 March	54.86	4.80	15.96	41.09
Weighted average share price of options taken up during the year				
Shares	18 740	516 830	186 331	167 894
Weighted average share price	73.04	7.64	27.68	58.44
	31 March 2017			
	Avito	Naspers Global Classifieds	Naspers Global ecommerce	Naspers Fintech
SARs				
Outstanding at 1 April	-	8 523 139	9 779 686	1 188 028
Granted	-	5 474 734	865 988	597 885
Exercised	-	(109 960)	(62 299)	(141 246)
Forfeited	-	(733 549)	(40 424)	(181 105)
Outstanding at 31 March	-	13 154 364	10 542 951	1 463 562
Available to be implemented at 31 March	-	1 897 587	3 632 489	261 121
Weighted average exercise price	(US\$)	(US\$)	(US\$)	(US\$)
Outstanding at 1 April	-	4.56	15.96	41.00
Granted	-	6.15	20.45	40.92
Exercised	-	4.68	16.57	40.03
Forfeited	-	4.40	18.10	41.55
Outstanding at 31 March	-	5.23	16.32	40.99
Available to be implemented at 31 March	-	4.35	15.78	41.09
Weighted average share price of options taken up during the year				
Shares	-	109 960	62 299	141 246
Weighted average share price	-	6.15	23.36	40.92

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Share option allocations outstanding and currently available to be implemented at 31 March 2019 by exercise price for the group's significant share incentive plans:

Exercise prices	Share options outstanding			Share options currently available	
	Number outstanding at 31 2019	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 2019	Weighted average exercise price
MIH Services (SA rand)					
142.88 to 195.93	253 264	0.10	151.01	253 264	151.01
197.88 to 271.30	32 078	2.12	230.64	32 078	230.64
303.89 to 482.59	119 602	3.31	421.35	119 602	421.35
661.88 to 886.69	43 513	4.33	699.52	43 513	699.52
1 046.88 to 1 272.66	935 546	5.03	1 064.44	910 657	1 058.75
1 302.89 to 1 378.67	12 373	5.64	1 369.94	8 173	1 368.51
1 477.88 to 1 634.84	75 703	6.42	1 620.31	29 517	1 614.73
1 700.53 to 1 770.05	17 341	6.64	1 735.22	5 820	1 735.38
1 817.89 to 1 886.88	40 957	7.05	1 832.58	14 946	1 826.63
1 931.85 to 1 992.88	10 214	7.30	1 979.65	415	1 991.88
2 056.88 to 2 340.52	212 577	7.32	2 134.80	1 855	2 323.52
2 429.53 to 2 945.89	244 428	8.53	2 803.70	60 969	2 827.39
3 017.00 to 3 213.98	268 927	9.25	3 102.82	15 600	3 135.67
3 463.98 to 3 809.00	10 048	9.02	3 596.58	1 959	3 700.39
	2 276 571			1 498 368	
iFood					
73.73 to 408.64	21 271	6.00	303.94	14 928	296.60
1 221.85 to 2 233.05	24 871	8.02	1 560.37	7 752	1 417.39
3 984.58	25 690	9.51	3 984.58	400	3 984.58
	71 832			23 080	

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights allocations outstanding and currently available to be implemented at 31 March 2019 by exercise price for the group's significant share incentive plans:

Exercise prices	SARs outstanding			SARs currently available	
	Number outstanding at 31 2019	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable at 31 March 2019	Weighted average exercise price
Avito (US\$)					
54.86 to 82.03	676 269	8.85	75.58	93 874	69.11
Naspers Global Classifieds (US\$)					
3.54 to 7.64	13 254 033	7.24	6.03	5 534 311	5.37
8.50	6 831 349	9.32	8.50	-	-
	20 085 382			5 534 311	
Naspers Global Ecommerce (US\$)					
15.58 to 23.61	9 874 555	5.71	16.22	7 360 485	15.97
27.25 to 28.20	1 456 889	8.39	27.32	289 143	27.32
31.42 to 33.78	1 248 303	9.28	33.42	-	-
	12 579 747			7 649 628	
Naspers Fintech (US\$)					
39.10 to 58.44	928 847	7.19	45.30	360 394	43.00
75.16	342 096	9.30	75.16	-	-
	1 270 943			360 394	

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	31 March 2019		
	Naspers RSU (SA rand)	MIH Services (SA rand)	iFood (BRL)
Weighted average fair value at measurement date	3 140.09	1 111.81	1 906.92
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average share price	-	3 113	3 985
Weighted average exercise price	-	3 113	3 985
Weighted average expected volatility (%)*	-	34.0%	37.9%
Weighted average option life (years)	2.5	10.0	10.0
Weighted average dividend yield (%)	0.2%	0.2%	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	-	8.4%	7.7%
Weighted average annual suboptimal rate (%)	-	340%	100%
Weighted average vesting period (years)	2.5	2.5	3.0

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

Various early exercise expectations were calculated based on historical exercise behaviours.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Share option and RSU plan grants made during the year relating to the group's significant plans:

	Naspers RSU (SA rand)	MIH Services (SA rand)	iFood (BRL)
31 March 2018			
Weighted average fair value at measurement date	2 694.02	914.03	921.67
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average share price	-	2 946	2 233
Weighted average exercise price	-	2 946	2 233
Weighted average expected volatility (%)*	-	26.2%	28.1%
Weighted average option life (years)	4.0	10.0	10.0
Weighted average dividend yield (%)	0.2%	0.2%	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	-	7.9%	7.6%
Weighted average annual suboptimal rate (%)	-	318%	100%
Weighted average vesting period (years)	2.5	2.5	3.0
31 March 2017			
Weighted average fair value at measurement date	2 305.32	960.82	462.34
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:			
Weighted average share price	-	2 235	1 222
Weighted average exercise price	-	2 235	1 222
Weighted average expected volatility (%)*	-	32.3%	41.8%
Weighted average option life (years)	2.0	10.0	10.0
Weighted average dividend yield (%)	0.3%	0.3%	-
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	-	8.4%	8.1%
Weighted average annual suboptimal rate (%)	-	316%	100%
Weighted average vesting period (years)	2.5	4.0	3.0

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Avito (US\$)	Naspers Global Classifieds (US\$)	Naspers Global Ecommerce (US\$)	Naspers Fintech (US\$)
31 March 2019				
Weighted average fair value at measurement date	26.61	2.72	13.07	27.81
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	82.03	8.50	33.63	75.16
Weighted average exercise price	82.03	8.50	33.63	75.16
Weighted average expected volatility (%)*	29.9%	29.2%	38.0%	35.3%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.8%	2.8%	2.9%	2.9%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	100.0%
Weighted average vesting period (years)	2.5	2.5	2.5	2.5

* *The weighted average expected volatility of all share options listed above is determined using historical daily share prices.*

Various early exercise expectations were calculated based on historical exercise behaviours.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Share appreciation rights plan grants made during the year relating to the group's significant plans:

	Avito (US\$)	Naspers Global Classifieds (US\$)	Naspers Global Ecommerce (US\$)	Naspers Fintech (US\$)
31 March 2018				
Weighted average fair value at measurement date	23.35	2.11	6.77	17.40
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	68.13	7.62	27.19	58.44
Weighted average exercise price	68.13	7.62	27.19	58.44
Weighted average expected volatility (%)*	32.9%	23.8%	20.7%	26.4%
Weighted average option life (years)	10.0	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	2.1%	2.3%	2.2%	2.2%
Weighted average annual suboptimal rate (%)	100.0%	100.0%	100.0%	100.0%
Weighted average vesting period (years)	2.5	3.0	3.0	3.0
31 March 2017				
Weighted average fair value at measurement date	-	1.93	6.23	12.57
This weighted average fair value has been calculated using the Bermudan Binomial option pricing model, using the following inputs and assumptions:				
Weighted average SAR price	-	6.15	20.45	40.92
Weighted average exercise price	-	6.15	20.45	40.92
Weighted average expected volatility (%)*	-	29.8%	28.7%	28.2%
Weighted average option life (years)	-	10.0	10.0	10.0
Weighted average risk-free interest rate (%) (based on zero rate bond yield at perfect fit)	-	1.5%	1.4%	1.8%
Weighted average annual suboptimal rate (%)	-	100.0%	100.0%	100.0%
Weighted average vesting period (years)	-	3.0	3.0	3.0

* The weighted average expected volatility of all share options listed above is determined using historical daily share prices.

Various early exercise expectations were calculated based on historical exercise behaviours.

Notes to the Combined Carve-out Financial Statements (continued)
for the years ended 31 March 2019, 2018 and 2017

38. EQUITY COMPENSATION BENEFITS (continued)

Liabilities arising from share-based payment transactions

The following liabilities have been recognised in the statement of financial position relating to the group's cash-settled share-based payment obligations:

	31 March		
	2019 US\$'m	2018 US\$'m	2017 US\$'m
Share-based payment liability			
Total carrying amount of cash-settled share-based payment liability	204	201	141
Current portion of share-based payment liability (refer to note 20)	(168)	(164)	(113)
Non-current portion of share-based payment liability	36	37	28

Notes to the Combined Carve-out Financial Statements (continued)

for the years ended 31 March 2019, 2018 and 2017

39. SUBSEQUENT EVENTS

In April 2019 the group contributed 100% of the issued share capital of its subsidiary Nentrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US\$56.1m to Carousell Pte. Ltd (**Carousell**) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The companies will merge their operations in the Philippines, a process that is expected to conclude in the second half of the 2019 calendar year. The group will classify its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell.

In April 2019 the group announced the exchange of its 43% interest in its online travel associate MakeMyTrip Limited for an approximately 6% interest in Ctrip.com International Limited (**Ctrip**), a well-known provider of online travel and related services headquartered in China. On 20 August 2019, the Competition Commission of India approved the transaction. Some of the closing conditions have not yet been met. The transaction is expected to be finalised in August 2019. The group will classify its interest in Ctrip as an equity investment at fair value.

In May 2019 the group announced the sale of its 100% effective interest in its subsidiary BuscPé Company Informaçao e Tecnologia Limitada. The transaction is subject to regulatory approval.

In June 2019 the group signed an agreement to invest approximately US\$131m for a 79% effective interest (85% fully diluted) in İyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (**iyzico**), a leading payment service provider in Turkey. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in iyzico as a business combination and will classify the investment as an investment in a subsidiary.

In July 2019 the group invested US\$66m for a 100% effective interest in Wibmo, Inc. (**Wibmo**) a digital payment company providing payment security, mobile payment solutions and processing services in India. The group will account for the acquisition of its interest in Wibmo as a business combination and will classify the investment as an investment in a subsidiary.

In August 2019 the group invested US\$79.7m in Meesho Inc. (**Meesho**), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. Following this investment, the group holds a 12.06% effective interest (11.39% fully diluted) in Meesho. The group will account for its interest as an investment in an associate.



Independent auditor's report on the combined carve-out financial statements

To the directors of Myriad International Holdings N.V (to be renamed Prosus N.V.)

Our opinion

Myriad International Holdings N.V (to be renamed Prosus N.V.) will issue a prospectus on or about 26 August 2019 (the "Prospectus") in preparation for the listing of its international ecommerce and internet businesses (the "Prosus Group").

In our opinion, the combined carve-out financial statements as set out on page F-2 through F-126 of the Prospectus (the "combined carve-out financial statements") give a true and fair view of the combined financial position of the Prosus Group as at 31 March 2019, 31 March 2018 and 31 March 2017, its combined financial results, and combined cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("EU-IFRS").

What we have audited

We have audited the Prosus Group's combined carve-out financial statements, which comprise:

- the combined statement of financial position as at 31 March 2019, 31 March 2018 and 31 March 2017;
- the combined income statement for the years then ended;
- the combined statement of comprehensive income for the years then ended;
- the combined statement of changes in equity for the years then ended;
- the combined statement of cash flows for the years then ended; and
- the notes to the combined carve-out financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Our responsibilities for the audit of the combined carve-out financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Prosus Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised November 2018)* (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa.

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682



We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Purpose of this report

This report has been prepared for the purpose of the Prospectus and for no other purpose.

Emphasis of matter

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

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

Responsibilities of the directors for the combined carve-out financial statements

The directors of Myriad International Holdings N.V. (to be renamed Prosus N.V.) are responsible for the preparation and fair presentation of the combined carve-out financial statements in accordance with EU-IFRS, and for such internal control as the directors determine is necessary to enable the preparation of combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined carve-out financial statements, the directors of Myriad International Holdings N.V. (to be renamed Prosus N.V.) are responsible for assessing the Prosus Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Prosus Group or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the combined carve-out financial statements

Our objectives are to obtain reasonable assurance about whether the combined carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this consolidated historical financial information.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the combined carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Prosus Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Myriad International Holdings N.V (to be renamed Prosus N.V.)
- Conclude on the appropriateness of the directors of Myriad International Holdings N.V's (to be renamed Prosus N.V.) use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Prosus Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the combined carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Prosus Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined carve-out financial statements, including the disclosures, and whether the combined carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Prosus Group to express an opinion on the combined carve-out financial statements. We are responsible for the direction, supervision and performance of the Prosus Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of Myriad International Holdings N.V (to be renamed Prosus N.V.) regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors of Myriad International Holdings N.V (to be renamed Prosus N.V.) with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

A handwritten signature in black ink that reads "PricewaterhouseCoopers Inc." in a cursive script.

PricewaterhouseCoopers Inc.

Director: Brendan Deegan

Registered Auditor

Cape Town, South Africa

23 August 2019

INTERIM COMBINED CARVE-OUT FINANCIAL STATEMENTS

Condensed Combined Carve-out Income Statement

for the three months ended 30 June 2019 and 2018

	Notes	2019 US\$'m	2018 US\$'m
Revenue from contracts with customers	3	677	589
Cost of providing services and sale of goods		(407)	(324)
Selling, general and administration expenses		(389)	(322)
Other (losses)/gains – net		-	(17)
Operating loss		(119)	(74)
Interest income	4	62	58
Interest expense	4	(51)	(50)
Other finance income/(costs) – net	4	17	66
Share of equity-accounted results	6	1 486	1 091
Dilution gains/(losses) on equity-accounted investments		1	(18)
Net gains on acquisitions and disposals		20	-
Profit before taxation	5	1 416	1 073
Taxation		(21)	(5)
Profit for the period		1 395	1 068
Attributable to:			
Equity holders of the group		1 432	1 082
Non-controlling interests		(37)	(14)
		1 395	1 068

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the current period.

Condensed Combined Carve-out Statement of Comprehensive Income

for the three months ended 30 June 2019 and 2018

	2019 US\$'m	2018 US\$'m
Profit for the period	1 395	1 068
Total other comprehensive income, net of tax, for the period⁽¹⁾	(150)	(763)
Translation of foreign operations	(313)	(1 457)
Net fair-value gains/(losses) ⁽²⁾	19	8
Share of other comprehensive income and reserves of equity-accounted investments ⁽²⁾	144	686
Total comprehensive income for the period	1 245	305
Attributable to:		
Equity holders of the group	1 279	345
Non-controlling interest	(34)	(40)
	1 245	305

⁽¹⁾ These components of other comprehensive income may subsequently be reclassified to profit or loss except for gains of US\$102.4m (2018: US\$104.7m) included in the share of equity accounted investments' direct reserve movements.

⁽²⁾ Includes fair-value changes on financial assets at fair value through other comprehensive income of equity-accounted investments. Following the application of IFRS 9 Financial Instruments in 2019, fair value gains or losses on these investments will no longer be reclassified to the income statement in future reporting periods.

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the current period.

Condensed Combined Carve-out Statement of Financial Position

	Notes	As at 30 June 2019 US\$'m	As at 31 March 2019 US\$'m
Assets			
Non-current assets		23 764	22 881
Property, plant and equipment		337	143
Goodwill	7	2 092	2 035
Other intangible assets		802	794
Investments in associates		20 360	19 746
Investments in joint ventures		86	95
Other investments and loans		69	47
Other receivables		3	6
Derivative financial instruments		-	1
Deferred taxation		15	14
Current assets		10 449	9 982
Inventory		136	148
Trade receivables		153	135
Other receivables and loans		557	515
Derivative financial instruments		1	-
Short-term investments		6 739	7 037
Cash and cash equivalents		2 422	2 131
		10 008	9 966
Assets classified as held for sale	9	441	16
Total assets		34 213	32 863
Equity and liabilities			
Capital and reserves attributable to the group's equity holders		28 222	27 117
Net parent investment		28 424	27 345
Other reserves		(202)	(228)
Non-controlling interests		226	132
Total equity		28 448	27 249
Non-current liabilities		4 193	4 034
Capitalised lease liabilities		146	5
Liabilities – interest bearing		3 242	3 237
– non-interest bearing		2	2
Other non-current liabilities		588	581
Derivative financial instruments		39	33
Deferred taxation		176	176
Current liabilities		1 572	1 580
Current portion of long-term debt		55	22
Trade payables		208	244
Accrued expenses and other current liabilities		1 296	1 301
Derivative financial instruments		3	3
Bank overdrafts		10	8
		1 572	1 578
Liabilities classified as held for sale	9	-	2
Total equity and liabilities		34 213	32 863

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the current period.

Condensed Combined Carve-out Statement of Changes in Equity

for the three months ended 30 June 2019 and 2018

	2019 US\$'m	2018 US\$'m
Balance at the beginning of the period	27 249	24 356
Change in accounting policy (refer to note 2)	-	-
Restated balance at the beginning of the period	27 249	24 356
Changes in net parent investment		
Contribution from/(distribution to) parent ⁽¹⁾	(342)	(264)
Changes in reserves		
Total comprehensive income for the period	1 279	345
Movement in share-based compensation reserve	(1)	-
Movement in existing control business combination reserve	180	(75)
Direct retained earnings and other reserve movements	(11)	15
Changes in non-controlling interest		
Total comprehensive loss for the period	(34)	(40)
Dividends paid to non-controlling shareholders	-	(16)
Movement in non-controlling interest in reserves	128	23
Balance at the end of the period	28 448	24 344
Comprising:		
Net parent investment	28 424	24 979
Share-based compensation reserve	1 768	1 393
Existing control business combination reserve	(907)	(2 089)
Valuation reserve	810	1 509
Foreign currency translation reserve	(1 873)	(1 689)
Non-controlling interest	226	241
Total	28 448	24 344

⁽¹⁾ The contribution from/(distribution to) parent line item is a net figure comprising net asset value contributions (i.e. inflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that have been incorporated into the combined carve-out financial statements. The line item also includes net asset value distributions (i.e. outflows) relating to businesses and other assets, under the common control of Naspers Limited (the group's ultimate controlling parent), that do not form part of the combined carve-out financial statements. The movements for the period include funding that is cash in nature of US\$215.0m (2018: US\$3.1m) with the balance being represented by non-cash net asset value movements related to businesses and other assets that do not form part of these combined carve-out financial results.

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the current period.

Condensed Combined Carve-out Statement of Cash Flows

for the three months ended 30 June 2019 and 2018

	Note	2019 US\$'m	2018 US\$'m
Cash flows from operating activities			
Cash utilised in operating activities		(163)	(76)
Interest income received		56	38
Dividends received from investments and equity-accounted companies		377	332
Interest costs paid		(7)	(7)
Taxation paid		(20)	(23)
Net cash generated from operating activities		243	264
Cash flows from investing activities			
Acquisitions and disposals of tangible and intangible assets		(21)	(23)
Acquisitions of subsidiaries, associates and joint ventures	10	(58)	(144)
Disposals of subsidiaries, businesses, associates and joint ventures	10	5	4
Maturity/(acquisition) of short-term investments ⁽¹⁾		306	(7 559)
Cash movement in other investments and loans		(20)	(7)
Net cash generated from/(utilised in) investing activities		212	(7 729)
Cash flows from financing activities			
Proceeds from long- and short-term loans raised		8	7
Repayments of long- and short-term loans		(4)	(12)
Proceeds from related party funding and contributions from parent		18	3
Repayments of related party funding and distributions from parent		(215)	(162)
Additional investment in existing subsidiaries		(52)	(203)
Transactions with non-controlling shareholders		97	7
Dividends paid by subsidiaries to non-controlling shareholders		-	(16)
Repayments of capitalised lease liabilities		(5)	(1)
Other movements resulting from financing activities		(2)	1
Net cash utilised in financing activities		(155)	(376)
Net movement in cash and cash equivalents			
Foreign exchange translation adjustments on cash and cash equivalents		(11)	(31)
Cash and cash equivalents at the beginning of the period		2 123	10 808
Cash and cash equivalents at the end of the period		2 412	2 936

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

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the current period.

Condensed Combined Carve-out Segmental Review

	Revenue			EBITDA ⁽¹⁾			Trading profit		
	Three months ended			Three months ended			Three months ended		
	2019	2018	% change	2019	2018	% change	2019	2018	% change
	US\$m	US\$m		US\$m	US\$m		US\$m	US\$m	
Internet	4 847	4 472	8	1 197	1 161	3	1 003	1 064	(6)
<i>Ecommerce</i>	881	855	3	(168)	(77)	(118)	(193)	(86)	(124)
- Classifieds	284	189	50	26	24	>100	16	20	>100
- Payments and fintech	96	87	10	(18)	(12)	(50)	(19)	(13)	(46)
- Food delivery	129	88	>100	(125)	(15)	>(100)	(131)	(16)	>(100)
- Etail	249	371	(33)	(5)	(32)	84	(11)	(36)	69
- Travel	51	66	(23)	(6)	(6)	-	(7)	(7)	-
- Other	72	54	33	(40)	(36)	(11)	(41)	(34)	(21)
<i>Social and internet platforms</i>	3 966	3 617	10	1 365	1 238	10	1 196	1 150	4
- Tencent	3 890	3 548	10	1 359	1 225	11	1 196	1 143	5
- Mail.ru	76	69	10	6	13	(54)	-	7	(100)
Corporate segment	-	-	-	(3)	(5)	40	(3)	(5)	40
Intersegmental	-	(1)	(100)	-	-	-	-	-	-
Total economic interest	4 847	4 471	8	1 194	1 156	3	1 000	1 059	(6)
Less: Equity-accounted investments	(4 170)	(3 882)	(7)	(1 260)	(1 175)	(7)	(1 086)	(1 086)	-
Combined	677	589	15	(66)	(19)	247	(86)	(27)	>100

⁽¹⁾EBITDA refers to earnings before interest, taxation, depreciation and amortisation.

Condensed Combined Carve-out Reconciliation of Trading Loss to Operating Loss
for the three months ended 30 June 2018 and 2019

	2019	2018
	US\$'m	US\$'m
Trading loss from operations per segment review	(86)	(27)
Adjusted for:		
Finance cost on capitalised lease liabilities	2	-
Amortisation of other intangible assets	(22)	(21)
Other (losses)/gains – net	-	(17)
Retention option expense	(4)	(2)
Share-based incentives calculated on a cash-settled basis ⁽¹⁾	(5)	(3)
Share-based incentives settled in Naspers Limited shares ⁽²⁾	(4)	(4)
Operating loss per income statement	(119)	(74)

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

⁽²⁾Refers to share-based incentives settled in equity instruments of the Naspers Limited group, where the Prosus Group has no obligation to settle the awards with participants, i.e. they are settled by Naspers Limited.

Refer to note 2 for details of the group's adoption of new accounting pronouncements during the current period.

Notes to the Condensed Combined Carve-out Financial Results

for the three months ended 30 June 2019 and 2018

1 Basis of presentation and accounting policies

The condensed combined carve-out interim financial statements of the international ecommerce and internet business of Naspers Limited (the **Prosus Group** or the **group**) for the three months ended 30 June 2019 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The Condensed Combined Carve-out Interim Financial Statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS-EU. The accounting policies applied in the preparation of the Condensed Combined Carve-out Interim Financial Statements are consistent with those applied in the group's Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017, except as set out below.

The group has adopted all new and amended accounting pronouncements that are relevant to its operations and that are effective for financial years commencing 1 April 2019. The impact of the adoption of new and amended accounting pronouncements is set out below.

The group's reportable segments reflect the components of the group that are regularly reviewed by the chief operating decision maker as defined in the Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017. The group proportionately consolidates its share of the results of its associates and joint ventures in its reportable segments.

Scope of combination

The Condensed Combined Carve-out Interim Financial Statements have been prepared for the purpose of presenting the financial position, results of operations and cash flows of the Prosus Group on a stand-alone basis, as explained in the section on Basis of combination included in the Combined Carve-out Financial Statements for the years ended 31 March 2019, 2018 and 2017, in a Prospectus drawn up in relation to the admission to listing and trading of the ordinary shares in the share capital of the Company on Euronext in Amsterdam, a regulated market of Euronext Amsterdam N.V..

Limitations inherent to carve-out

As the Prosus Group did not operate as a stand-alone entity in the past, these Condensed Combined Carve-out Interim Financial Statements may not be indicative of the Prosus Group's future performance and what its combined results of operations, financial position and cash flows would have been, had the Prosus Group operated as a separate entity from Naspers Limited for the periods presented. Rather than the legal structure, the economic activities under common management and the perimeter agreed as the structure of the future Prosus Group have been considered the main factors in determining the perimeter of the Prosus Group Condensed Combined Carve-out Interim Financial Statements.

2. New accounting pronouncements

The group has adopted all new and amended accounting pronouncements issued by the IASB that are effective for financial years commencing 1 April 2019. The impact of adopting new accounting pronouncements is outlined below and includes, significantly, the first-time application of IFRS 16 *Leases* with effect from 1 April 2019. A number of other pronouncements were also effective from 1 April 2019 but did not have a significant effect on the group's condensed combined carve-out interim financial statements.

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

2. New accounting pronouncements (continued)

IFRS 16 Leases

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

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

The group has applied IFRS 16 on a prospective basis with effect from 1 April 2019 and has therefore not restated the comparative information contained in these Condensed Combined Carve-out Interim Financial Statements. In accordance with the transitional provisions, the cumulative effect of initial application of IFRS 16 was recognised as an adjustment to the opening balance of retained earnings as at 1 April 2019. On transition to IFRS 16, lease liabilities were measured at the present value of remaining lease payments discounted at the incremental borrowing rate as at 1 April 2019. The right-of-use assets recognised on 1 April 2019 were measured at an amount equal to the lease liability adjusted by any prepaid or accrued lease payments and onerous contracts.

The group has applied the following practical expedients, as permitted by IFRS 16's transitional provisions:

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

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

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

2. New accounting pronouncements (continued)

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

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

Lease liabilities recognised

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

⁽¹⁾The group disclosed these lease commitments on an undiscounted basis in the Combined Carve-out Financial Statements for the year ended 31 March 2019, 2018 and 2017

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

3. Revenue from contracts with customers

	Reportable segment(s) where revenue is included	Three months ended 30 June	
		2019 US\$'m	2018 US\$'m
Online sale of goods revenue	Classifieds and Etail	263	235
Classifieds listings revenue	Classifieds	185	146
Payment transaction commissions and fees	Payments	84	72
Mobile and other content revenue	Other ecommerce	44	36
Food delivery revenue	Food delivery	55	36
Travel package revenue and commissions	Travel	-	16
Advertising revenue	Various	23	24
Comparison shopping commissions and fees	Other ecommerce	11	10
Other revenue	Various	12	14
		677	589

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

4. Finance income/(costs)

	Three months ended 30 June	
	2019 US\$'m	2018 US\$'m
Interest income	62	58
- loans and bank accounts	62	58
Interest expense	(51)	(50)
- loans and overdrafts	(48)	(50)
- other	(3)	-
Other finance income/(cost) – net	17	66
- net foreign exchange differences and fair-value adjustments on derivatives	(10)	33
- remeasurement of written put option liabilities	27	33

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

5. Profit before taxation

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

	Three months ended	
	2019	2018
	US\$'m	US\$'m
Depreciation of property, plant and equipment	18	6
Amortisation	24	23
- other intangible assets	22	21
- software	2	2
Impairment losses on financial assets measured at amortised cost	4	2
Net realisable value adjustments on inventory, net of reversals ⁽¹⁾	1	1
Other (losses)/gains – net	-	(17)
- impairment of property, plant and equipment and other assets	-	(17)
Gains on acquisitions and disposals	20	-
- gains/(losses) on disposal of investments	28	1
- gains recognised on loss of control transactions	17	-
- transaction-related costs	(25)	(1)

⁽¹⁾ Net realisable value write-downs relate primarily to general inventory write-downs in the retail segment.

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

6. Equity-accounted results

The group's equity-accounted investments contributed to the condensed combined carve-out financial results as follows:

	Three months ended	
	30 June	
	2019	2018
	US\$'m	US\$'m
Share of equity-accounted results	1 486	1 091
- gains on acquisitions and disposals	(517)	(151)
- impairment of investments	140	155
Contribution to headline earnings	1 109	1 095
- amortisation of other intangible assets	61	41
- equity-settled share-based payment expenses	116	95
- fair-value adjustments and currency translation differences	(485)	(450)
Contribution to core headline earnings	801	781
Tencent	937	865
Mail.ru	(6)	6
MakeMyTrip	(22)	(11)
Delivery Hero	(27)	(7)
Swiggy	(49)	(5)
Other	(32)	(67)

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

7. Goodwill

Goodwill is subject to an annual impairment assessment. Movements in the group's goodwill for the period are detailed below:

	Three	Year
	months	ended
	ended	31 March
	30 June	2019
	US\$'m	US\$'m
Goodwill		
- cost	2 269	2 448
- accumulated impairment	(234)	(267)
Opening balance	2 035	2 181
- foreign currency translation effects	53	(224)
- acquisitions of subsidiaries and businesses	4	105
- disposals of subsidiaries and businesses	-	(8)
- transferred to assets classified as held for sale	-	(13)
- impairment	-	(6)
Closing balance	2 092	2 035
- cost	2 331	2 269
- accumulated impairment	(239)	(234)

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

8. Commitments and contingent liabilities

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

	Three months ended 30 June 2019 US\$m	Year ended 31 March 2019 US\$m
Commitments⁽¹⁾	44	210
- capital expenditure	-	6
- other service commitments	41	23
- short-term lease commitments ⁽²⁾	3	181

⁽¹⁾The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group plans to fund these commitments and contingencies out of existing facilities and internally generated funds.

⁽²⁾The decrease in short-term lease commitments is as a result of the adoption of IFRS 16 Leases. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the period.

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group has a contingent asset of US\$177.0m (31 March 2019: US\$177.0m) related to amounts receivable from tax authorities.

9. Assets and liabilities classified as held for sale

In April 2019 the group announced the exchange of its 43% interest in its online travel associate MakeMyTrip Limited (MakeMyTrip) for an approximately 6% interest in Ctrip.com International Limited, a well-known provider of online travel and related services headquartered in China. On 20 August 2019, the Competition Commission of India approved the transaction. Some of the closing conditions have not yet been met. The transaction is expected to be finalised in August 2019. The group has classified its interest in MakeMyTrip Limited as held for sale. MakeMyTrip forms part of the travel segment.

In April 2019, the group concluded the disposal of its subsidiary Netrepreneur Connections Enterprises Inc. (Sulit). The group contributed 100% of the issued share capital of Sulit as well as cash with an aggregate value of US\$56.1m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The assets and liabilities of Sulit were classified as held for sale as at 31 March 2019. Refer to note 10 for details of the group's acquisitions and disposals during the period.

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

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

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

	As at 30 June 2019 US\$'m	As at 31 March 2019 US\$'m
Assets classified as held for sale		
Goodwill and other intangible assets	-	13
Investments in associates	441	-
Trade and other receivables	-	2
Cash and cash equivalents	-	1
	441	16
Liabilities classified as held for sale		
Accrued expenses and other current liabilities	-	2
	-	2

10. Business combinations, other acquisitions and disposals

In April 2019 the group contributed 100% of the issued share capital of its subsidiary Netrepreneur Connections Enterprises Inc. (Sulit) as well as cash with an aggregate value of US\$56.1m to Carousell Private Limited (Carousell) in exchange for a 12% (10% fully diluted) interest in Carousell, one of Asia's largest and fastest-growing classifieds marketplaces. The companies will merge their operations in the Philippines. The group classified its interest in Carousell as an investment in an associate on account of its representation on the board of Carousell.

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

11. Financial instruments

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

	Fair-value measurements at 30 June 2019 using:			
	Carrying US\$m	Quoted prices in active markets for identical assets or liabilities (level 1) US\$m	Significant other observable inputs (level 2) US\$m	Significant unobservable inputs (level 3) US\$m
Assets				
Financial assets at fair value through other comprehensive income ⁽¹⁾	69	-	3	66
Foreign exchange contracts ⁽¹⁾	1	-	1	-
Liabilities				
Foreign exchange contracts ⁽¹⁾	3	-	3	-
Earn-out obligations	1	-	-	1
Cross-currency interest rate swap	39	-	39	-

⁽¹⁾Includes assets and liabilities classified as held for sale.

	Fair-value measurements at 31 March 2019 using:			
	Carrying value US\$m	Quoted prices in active markets for identical assets or liabilities (level 1) US\$m	Significant other observable inputs (level 2) US\$m	Significant unobservable inputs (level 3) US\$m
Assets				
Financial assets at fair value through other comprehensive income ⁽¹⁾	47	-	3	44
Derivatives embedded in leases	1	-	-	1
Liabilities				
Foreign exchange contracts ⁽¹⁾	3	-	3	-
Earn-out obligations	6	-	-	6
Cross-currency interest rate swap	33	-	33	-

⁽¹⁾Includes assets and liabilities classified as held for sale.

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

11. Financial instruments (continued)

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

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

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

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

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

	30 June 2019		31 March 2019	
	Carrying value US\$m	Fair value US\$m	Carrying value US\$m	Fair value US\$m
Financial liabilities				
Capitalised lease liabilities ⁽¹⁾	187	187	8	8
Publicly traded bonds	3 200	3 423	3 200	3 350

⁽¹⁾ The amounts for the year ended 31 March 2019 include financial liabilities classified as held for sale.

The fair values of the capitalised lease liabilities as at 31 March 2019 relate to those classified as finance leases in terms of IAS 17 *Leases* (IAS 17). The group adopted IFRS 16 *Leases* from 1 April 2019 and accordingly the capitalised leases as at 30 June 2019 relate to all leases including those previously classified as operating leases in terms of IAS 17 which were not recognised on the statement of financial position. The fair values of the capitalised leases have been determined through discounted cash flow analysis. Refer to note 2 for details of the group's adoption of new accounting pronouncements during the current period.

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

12. Related party transactions and balances

The group entered into various related party transactions in the ordinary course of business. There have been no significant changes in related party transactions and balances since the previous reporting period.

Notes to the Condensed Combined Carve-out Financial Results (continued)

for the three months ended 30 June 2019 and 2018

13. Events after the reporting period

In April 2019 the group announced the exchange of its 43% interest in its online travel associate MakeMyTrip Limited for an approximately 6% interest in Ctrip.com International Limited (**Ctrip**), a well-known provider of online travel and related services headquartered in China. On 20 August 2019, the Competition Commission of India approved the transaction. Some of the closing conditions have not yet been met. The transaction is expected to be finalised in August 2019. The group will classify its interest in Ctrip as an investment at fair value through other comprehensive income.

In May 2019 the group announced the sale of its 100% effective interest in its subsidiary BuscaPé Company Informaçao e Tecnologia Limitada. The transaction is subject to regulatory approval.

In June 2019 the group signed an agreement to acquire a 79% effective interest (85% fully diluted) for approximately US\$131m in İyzi Ödeme ve Elektronik Para Hizmetleri Anonim Şirketi (**iyzico**), a leading payment service provider in Turkey. The transaction is subject to regulatory approval. The group will account for the acquisition of its interest in iyzico as a business combination and will classify the investment as an investment in a subsidiary.

In July 2019 the group acquired the majority stake in Red Dot Payment Private Limited (**Red Dot**) in South East Asia for US\$45m. The company is an online payment company providing premium payment solutions and expertise to merchants across the Asia Pacific. Following this investment the group has a 73% effective interest (66% fully diluted) in Red Dot. The group will account for the acquisition of its interest in Red Dot as a business combination and will classify the investment as an investment in a subsidiary.

In July 2019 the group invested US\$66m for a 100% effective interest in Wibmo, Inc. (**Wibmo**) a digital payment company providing payment security, mobile payment solutions and processing services in India. The group will account for the acquisition of its interest in Wibmo as a business combination and will classify the investment as an investment in a subsidiary.

In July 2019 the group invested an additional US\$25m in Brainly Incorporated (**Brainly**). Following this investment, the group holds a 43% effective interest (38% fully diluted) in Brainly. The group continues to account for its interest as an investment in an associate.

In August 2019 the group invested US\$79.7m in Meesho Inc. (**Meesho**), a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on their platform. Following this investment, the group holds a 12.06% effective interest (11.39% fully diluted) in Meesho. The group will account for its interest as an investment in an associate.



Independent auditor's review report on the condensed combined carve-out financial statements

To the directors of Myriad International Holdings N.V. (to be renamed Prosus N.V.)

Introduction

Myriad International Holdings N.V. (to be renamed Prosus N.V.) will issue a prospectus on or about 26 August 2019 (the "Prospectus") in preparation for the listing of its international ecommerce and internet businesses (the "Prosus Group").

We have reviewed the Prosus Group's condensed combined carve-out financial statements as set out on page F-131 through F-148 of the Prospectus (the "combined condensed carve-out financial statements"), which comprise:

- the condensed combined carve-out statement of financial position as at 30 June 2019;
- the condensed combined carve-out income statement for the three-month periods ended 30 June 2019 and 30 June 2018;
- the condensed combined carve-out statement of comprehensive income for the three-month periods ended 30 June 2019 and 30 June 2018;
- the condensed combined carve-out statement of changes in equity for the three-month periods ended 30 June 2019 and 30 June 2018;
- the condensed combined carve-out statement of cash flows for the three-month periods ended 30 June 2019 and 30 June 2018; and
- selected explanatory notes.

Directors' responsibility

The directors of Myriad International Holdings N.V. (to be renamed Prosus N.V.) are responsible for the preparation, contents and presentation of the Prospectus and for the preparation and presentation of the condensed combined carve-out financial statements in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as adopted by the European Union and for such internal control as the directors determine is necessary to enable the preparation of condensed combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

Basis for opinion

Our responsibility is to express a conclusion on the condensed combined carve-out financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the condensed financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

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Chief Executive Officer: L S Machaba
The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



A review of condensed combined carve-out financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed combined carve-out financial statements of the Prosus Group for the three months ended as set out on page F-131 through F-148 of the Prospectus do not give a true and fair view of the combined financial position of the Prosus Group as at 30 June 2019, its combined financial results, and combined cash flows for the three-month periods ended 30 June 2019 and 30 June 2018, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Purpose of the report

This report has been prepared for the purpose of the Prospectus and for no other purpose.

Emphasis of matter

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

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

PricewaterhouseCoopers Inc.
PricewaterhouseCoopers Inc.
Director: Vicki Myburgh
Registered Auditor
Johannesburg, South Africa
23 August 2019

The Company

Prosus N.V.

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