



Integrated  
annual report

2023

Improving  
everyday life  
for billions of  
people through  
technology

**Supporting documents that inform our reporting suite for 2023**



- Boundaries and scope of our greenhouse gas accounting
- Independent auditor's limited assurance report on the selected sustainability information in the Naspers Limited integrated annual report
- King IV™ application report

To access these supporting documents, refer to [www.naspers.com](http://www.naspers.com).

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# Naspers is a global consumer internet group and one of the largest technology investors in the world.

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### Material matters

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-  Business culture, ethics and integrity
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-  People
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-  AI

### → Forward-looking statements

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning our financial condition, results of operations and businesses. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as 'believes', 'expects', 'may', 'will', 'could', 'should', 'intends', 'estimates', 'plans', 'assumes' or 'anticipates', or associated negative, or other variations or comparable terminology, or by discussions of strategy that involve risks and uncertainties. These forward-looking statements and other statements contained in this report on 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 implied in such forward-looking statements.

A number of factors could affect our future operations and could cause those results to differ materially from those expressed in the forward-looking statements, including (without limitation): (a) changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; (b) ongoing and future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; (c) changes in domestic and international regulatory and legislative environments; (d) changes to domestic and international operational, social, economic and political conditions; (e) labour disruptions and industrial action; and (f) the effects of both current and future litigation. The forward-looking statements contained in this report apply only as of the date of the report. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of the report or to reflect the occurrence of unanticipated events. We cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements.

# Artificial intelligence



Artificial intelligence and machine learning (AI and ML) are rapidly becoming ubiquitous features of modern life.

## Highlights

2023

AI adoption globally is **2.5 times higher** in 2022 than in 2017

AI market size expected to reach **US\$407bn** by 2027 (2022\*: US\$87m)

Projected annual growth rate of **37.3%** from 2023 to 2030

Over **75%** of consumers are concerned about companies using AI – addressing these apprehensions will be crucial

But **65%** of consumers say they'll still trust businesses that use AI – companies using AI responsibly and transparently can maintain consumer confidence and harness AI's potential to improve customer experiences

\* Estimated.

## Naspers offers

» AI is core to what we do and how we do it, and we are determined to use it as widely and as well as possible – making better and better use of AI, to improve everyday life for billions of people around the world.

» We ensure we develop and deploy AI as quickly as possible to support business growth, and innovate and improve our competitive ability. And we seek to always do this in the right way – by design, ethically and responsibly.

» Robust principles on how we develop and deploy AI:

- Deploy AI everywhere it makes business sense.
- Develop AI-by-design for innovation in products and services.
- Develop and deploy AI ethically and responsibly.

» Ahead of increased regulatory scrutiny, we have formal policies on responsible and ethical use of AI, data privacy and sharing, cybersecurity and more.

» Across the group, we apply data science and AI in numerous ways to add value for customers, partners and the business, and to fulfil our purpose: better product recommendation, fraud prevention, content moderation, logistics optimisation and more. We also use AI to develop new products and concepts across our segments, such as content creation and search in Edtech.

» We engage with several data-science-for-social-good initiatives, dedicated to adopting AI in projects with a positive social impact.



A reduction in the holding company discount

**17** percentage points

- » Repurchased US\$2.5bn shares since September 2022
- » 16 320 371 N ordinary shares repurchased
- » NAV per share accretion<sup>1</sup> of 4.5%



Revenue<sup>2</sup> from continuing operations

**US\$33.2bn**

- » 20% growth on revenue from our consolidated Ecommerce business
- » Trading loss from our consolidated Ecommerce business widened by US\$111m



Total taxes paid

**US\$1.2bn**

- » Direct taxes levied: US\$820m and indirect taxes collected: US\$415m
- » Naspers' approach to tax centres around paying taxes in the countries where we operate



**Support** to those impacted by the war in Ukraine

- » Renounced the group's interest in VK
- » Disposed of Avito on 14 October 2022 for RUB151bn (US\$2.4bn) to Kismet Capital Group
- » We allocated US\$4.5m to Tvoya Opora and US\$2.5m to the Kolo Charitable Foundation to procure medical supplies and equipment



Commitment to **profitability**

- » Commitment to deliver consolidated Ecommerce trading profit during the first half of FY25



Naspers Labs, in collaboration with extensive networks, has placed

**3 920** young people in tech and tech-enabled jobs

- » Human rights statement reinforced with all our group companies



We developed our climate targets by applying the **Science-based Targets initiative's** (SBTi) guidance

- » Implemented actions towards absolute reductions of scope 1 and 2 emissions to zero (for Prosus and Naspers corporate entities). Improved GHG reporting by including scope 3
- » We developed group principles and approaches to help our subsidiaries and associates develop impactful packaging strategies



**Diversity** and **inclusion** training cascaded to all group companies

- » Employee inclusivity is core to our success as a business



**Cost-saving** initiatives

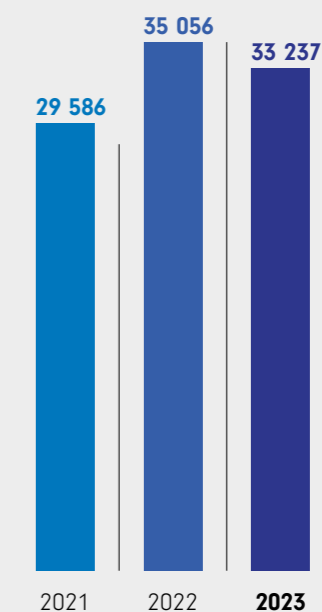
- » Reduction in corporate workforce by 30% and broader action to reduce other significant costs



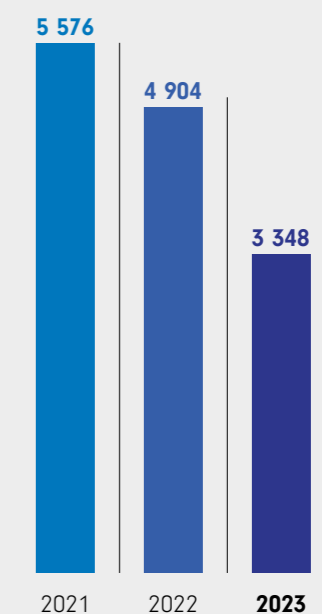
**>500** data scientists now part of the Naspers AI community

## Strong financial performance

Revenue<sup>2</sup> (US\$'m)



Trading profit<sup>2</sup> (US\$'m)



<sup>2</sup> Presented on an economic-interest basis from continuing operations.

<sup>1</sup> NAV per-share accretion includes all per-share enhancing actions: the Prosus repurchase programme and Naspers purchase programme initiated in FY21, the voluntary share exchange programme executed in FY22, the Prosus share repurchase initiated in FY22 and open-ended share repurchase programme initiated in FY23.

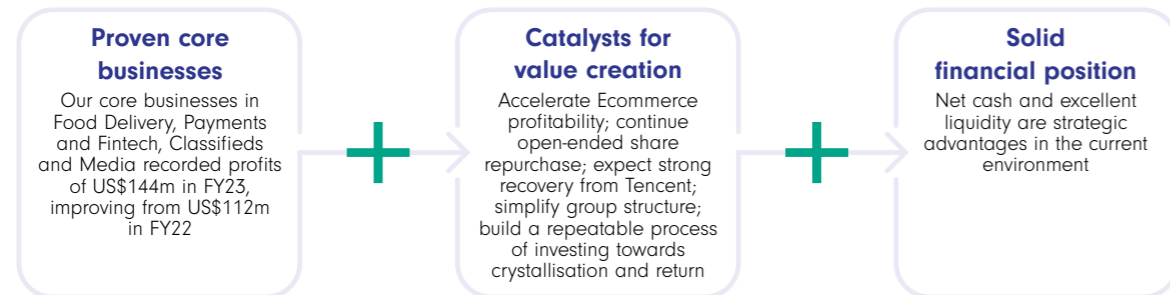
# Group overview

## Who we are

We are a global consumer internet group operating across platforms and geographies, and one of the largest technology investors in the world.

As a group, we build useful products for over two billion customers and help their communities thrive. We empower our teams to develop their skills and build meaningful careers. We create long-term value for our shareholders and our many other stakeholders.

### Strong position

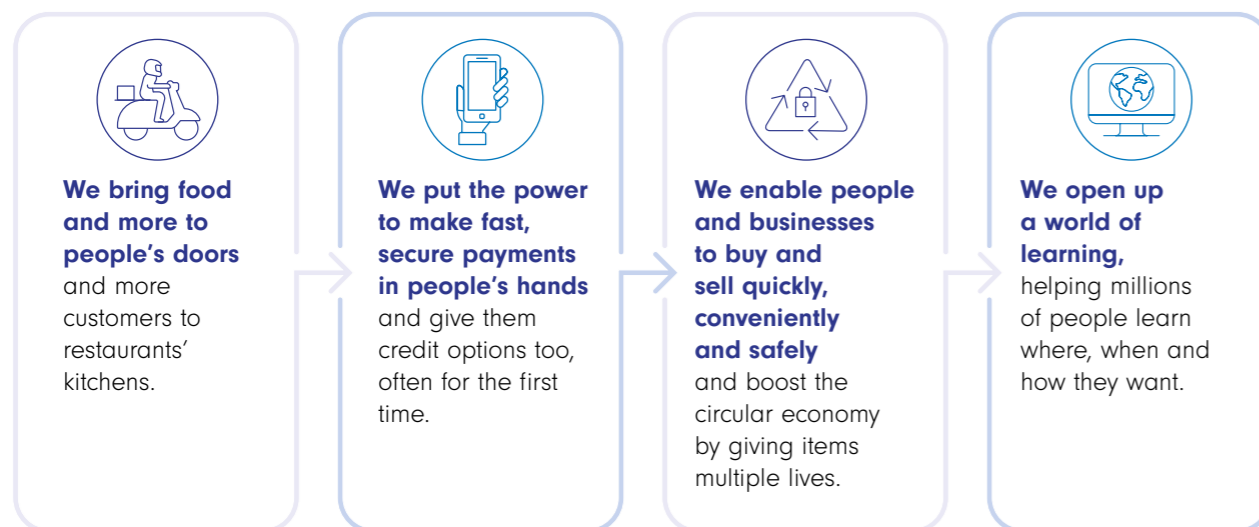


## Our purpose

Improving everyday life for billions of people through technology

## What we do

We build leading companies that empower people and enrich communities



## Our values

Our values underpin our culture, which guides our actions



### We build

#### At heart, we're entrepreneurs.

We back local entrepreneurs and teams and we operate and invest in businesses in many of the most exciting markets in the world. Our focus on sustainable long-term value creation means our group is a great place for people to build their careers. We work hard to connect, learn and grow to be the best we can be.



### We deliver

#### We push for excellence in everything we do.

We move fast, adapting quickly to seize opportunities. We agree on clear and ambitious goals, and regularly discuss how to beat them. Our reward is hardwired to performance, and depends on what we deliver and how we deliver it.



### We're responsible

#### We matter to our customers and communities.

We strive to maximise our positive impact on society and the planet. Wherever we operate, we hold ourselves to the highest standards, set out in our code of business ethics and conduct. We're all responsible for the impact we deliver.



### We value each other

#### We believe diversity in our teams and in our thinking delivers better outcomes for all.

We create supportive and flexible environments so we can perform at our best. We're empowered to make decisions about our work because we're trusted to do a great job.

We estimate that around **one fifth of the world's population** uses products and services of businesses that we have built, acquired or invested in. Many use the products and services of **more than one**.

What sets us apart

We think global and act local	Track record
» Focus on emerging large consumer trends linked to disruptive innovation - we identify changes early, invest in and adapt proven business models for the high-growth markets we focus on.	Food Delivery
» Leverage our skills, local knowledge and position to build businesses that are scalable and benefit from local network effects.	PayU
» By operating locally, we benefit from the insights of our local operations and their markets. We gain early views on emerging models and are therefore better positioned to drive organic and inorganic growth and support entrepreneurial, seasoned business leaders.	Edtech
» We believe our platforms offer customers fast, intuitive and secure environments for communicating and conducting transactions.	PayU
» Focus on markets that we believe present above-average growth opportunities given their economic growth prospects, scalability and fast-growing, mobile internet penetration levels.	India
» We believe building strong global and local brands is an important way for our businesses to differentiate themselves, driving organic growth through word of mouth while complying with the laws and regulations of jurisdictions in these markets.	OLX
We are both an operator and an investor	Track record
» As operator, we are able to make smarter investment decisions.	Food Delivery
» As investor, we support our businesses with the right combination of capital, market knowledge and know-how to succeed. We benefit from access to attractive opportunities globally. We have long-standing and successful relationships with prominent internet businesses in our largest markets.	Food Delivery
» Concentrating on customers, thinking about their lives and how best to meet their needs is central to what we do. Across our portfolio, we are building ecosystems with multiple customer touchpoints to improve their experience and retain their loyalty. We align technology and data with key customer needs such as convenience, ease of use, reliability and safety.	Food Delivery Payments and Fintech Edtech
» Ours is a long-term business. It takes continued investment to build the end-to-end capabilities supporting closer, stronger relationships with customers across the ecosystems of our core segments. But, it delivers long-term gain - not least, customer loyalty and more lasting value creation.	Ecommerce
» The leaders of our businesses are compensated directly on the performance of their divisions, fostering a strong culture of entrepreneurship in our group.	Ecommerce
» We are disciplined, but not tied to a rigid investment regime, which enables us to take a long-term view. This means we can support our businesses at every stage of their life cycle and focus on creating value over the long term.	Ecommerce

Growth opportunities

- » Our consumer internet businesses have significant potential for growth.
- » They offer opportunities for an enhanced range of internet transactions and services in our markets, as well as possible expansions into new markets.
- » We believe demand for our products and services will be driven by several trends, including growth in:
  - gross domestic product (GDP)
  - population growth in the younger demographics and middle class
  - continued growth in mobile and high-speed internet penetration
  - increasing adoption of new internet-based business models that are disrupting existing traditional business models across a range of industries.

Risks to growth opportunities

- » Slowing economic growth with record inflation and rising interest rates. Interest rates increased sharply in the 2022 calendar year and continued to increase in 2023 as central banks reacted to high inflation rates, resulting in deteriorating consumer sentiment and slowing economic growth.
- » While macroeconomic drivers are the same across the world, there is wide variation in how significant economies have been performing.
- » Regulation is increasing. Broad technological advancements pose significant challenges for regulators who strive to maintain a balance between fostering innovation, protecting consumers, and addressing the unintended consequences of digital disruption at scale.
- » Global ventures investment plummeted in 2022 to the levels of 2017. However, in contrast to panic-selling at the onset of the pandemic in 2020, the sell-off in 2022 was orderly, with relatively lower volatility. Further downside is possible.
- » Escalating geopolitical tensions could seriously impact markets. Geopolitical tension has caused stress on the global economy and capital markets, significantly increasing the cost of capital.
- » Climate change and its consequences have a significant impact on people's lives. Rising occurrence of extreme weather conditions, drought and flooding may impact on our customers, employees and our business.
- » We have reduced cost and headcount. The impact of these necessary actions weighs on our staff. While we find new ways of working and organising ourselves to be as efficient as we can be, the risk of unexpected operational issues and reduced morale is currently heightened.




# Segment overview

We focus on high-growth markets and business models that we know well.

## Food Delivery

Our portfolio of food-delivery businesses allows customers to order their favourite food online and via apps to be conveniently delivered wherever they are.



[Read more on page 48.](#)

 <b>41.82%</b>	 <b>12.99%</b>
 <b>14.29%</b>	
<b>Revenue<sup>1</sup></b> US\$4.2bn up 40% (44%)	<b>Trading loss<sup>1</sup></b> US\$649m down 10% (12%)
<b>Employees</b> 5 210	

## Classifieds<sup>2</sup>

OLX serves hundreds of millions of people every month across **five** continents, helping people buy and sell cars, find housing, get jobs and buy and sell household goods.

[Read more on page 52.](#)








 <b>43.10%</b>	 <b>16.36%</b>
<b>Revenue<sup>1</sup></b> US\$1.6bn up 19% (42%)	<b>Trading loss<sup>1</sup></b> US\$156m up >100% (>100%)
<b>Employees</b> 4 500	

## Payments and Fintech

PayU is an online payment services platform that has processed more than US\$78bn payment volumes globally and is a payment gateway for merchants in high-growth markets as well as large international companies.

PayU operates on **four** continents, in **17** high-growth markets and offers over **300** payment options.




[Read more on page 54.](#)

 <b>43.54%</b>	 <b>39.68%</b>
 <b>43.54%</b>	 <b>9.33%</b>
 <b>37.1%</b>	 <b>42.02%</b>
 <b>43.54%</b>	
<b>Revenue<sup>1</sup></b> US\$1.1bn up 32% (51%)	<b>Trading loss<sup>1</sup></b> US\$116m up 93% (72%)
<b>Employees</b> 3 447	

## Edtech

We reach **90%** of Fortune 100 companies across our corporate learning platforms. We also have a strong presence in K-12 (kindergarten to grade 12) in key markets.



[Read more on page 58.](#)

 <b>16.22%</b>	 <b>27.10%</b>
 <b>43.54%</b>	
<b>Revenue<sup>1</sup></b> US\$545m up 28% (18%)	<b>Trading loss<sup>1</sup></b> US\$258m up >100% (54%)
<b>Employees</b> 859	

## Etail

eMAG is an ecommerce leader in Central and Eastern Europe.








[Read more on page 62.](#)

 <b>34.87%</b>	 <b>100%</b>
<b>Revenue<sup>1</sup></b> US\$2.8bn down 11% (0%)	<b>Trading loss<sup>1</sup></b> US\$85m up >100% (>100%)
<b>Employees</b> 10 366	

## Other ecommerce: Ventures

Includes our Ventures arm that partners with entrepreneurs to build prominent technology companies, aiming to fuel the next wave of growth for the group.

[Read more on page 68.](#)


 <b>9.90%</b>	 <b>4.70%</b>
 <b>6.02%</b>	 <b>9.85%</b>
 <b>4.01%</b>	 <b>4.90%</b>
 <b>3.50%</b>	
<b>Revenue<sup>1</sup></b> US\$618m up 62% (66%)	<b>Trading loss<sup>1</sup></b> US\$270m down 34% (21%)
<b>Employees</b> 750	

<sup>1</sup> Presented on an economic-interest basis from continuing operations.  
<sup>2</sup> From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations are classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. In May 2022, as a result of the continued conflict in the region, the group announced its decision to exit its Russian business. Accordingly, Avito was presented as a discontinued operation.

## Social and internet platforms

Prosus holds an investment in Tencent, China's largest and most-used internet services platform.


[Read more on page 70.](#)

 <b>11.39%</b>
<b>Revenue<sup>1</sup></b> US\$22.3bn down 12% (1%)
<b>Trading profit<sup>1</sup></b> US\$5.1bn down 19% (9%)

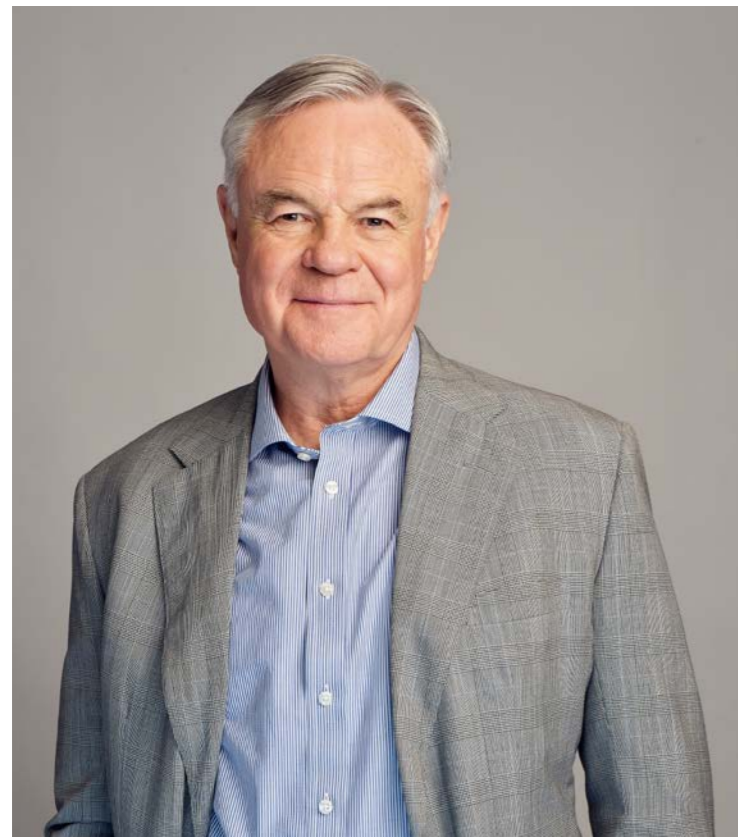
## Media24

Media24 is one of Africa's leading print and digital media groups with interests in digital media and services, newspapers, magazines, ecommerce, book publishing and media logistics.

[Read more on page 72.](#)

 <b>100%</b>
<b>Revenue<sup>1</sup></b> US\$217m down 16% (0%)
<b>Trading profit<sup>1</sup></b> US\$7m down 59% (53%)
<b>Employees</b> 2 167

Our group includes some of the best-loved local consumer internet companies in around 100 countries, spanning the Americas to Asia, Europe to South Africa.



**We create long-term value for our shareholders by improving the everyday lives of billions of people through technology.**

**Koos Bekker**  
Chair

## Creating real value in a world of change

As digitisation advances, a large part of our lives is now lived online. New technological breakthroughs are accelerating this transition, which plays out against a backdrop of geopolitical tensions, inflation and supply-chain disruptions.

In the face of uncertainty, we tried to maintain our focus and our purpose. As a consumer internet group and one of the largest technology investors, we are helping to bring the benefits of a digital world to our customers. We do this in the core segments of Food Delivery, Classifieds, Payments and Fintech, and Edtech, where we aim to build useful ecosystems.

## Creating value for shareholders

In June 2022, the board approved an open-ended repurchase programme of Prosus and Naspers shares. The aim was to unlock value for shareholders and increase net asset value (NAV) per share over time. This implies a programmatic trimming of Tencent shares and will remain active while the discount to NAV is at elevated levels. At the same time, Tencent remains our most important asset and we are convinced that it will grow further in future.

Investors responded positively, acknowledging the repurchase programme as a signal of long-term commitment to unlocking value, although some cautioned that this was not the only solution to remedy discounts. Our intention is to do more, including improving profitability of Ecommerce. A major ambition is to reach consolidated profitability in our Ecommerce business during the first half of FY25. We also wish to address some complexities around the cross-holding structure, if possible.

By year-end, the group NAV discount had reduced by 17 percentage points, creating over US\$25bn of value for shareholders. To fund the process, we realised US\$10.7bn from the sale of 3% of Tencent's issued share capital, reducing our stake to 26.16%.

## Discount to net asset value progression since implementing the repurchase programme



In March 2023, we announced our exit of OLX Autos, an adjacent operation to our successful core OLX classifieds business. This strategic development is detailed by our chief executive.

## Focus on sustainability

As outlined extensively in this report, our aim is to be a sustainable business. We do this by investing in tech-driven ventures in many countries, building them into enterprises that support local job creation and prosperity. Sometimes these services create more environmentally friendly alternatives to traditional solutions. Many are also socially transformative.

## Doing the right things in the right way

Our values are reflected in our code of business ethics and conduct. Our directors promote a culture of strong business ethics aimed at long-term value creation. This underpins the group's activities as a responsible corporate citizen. Governance of information and technology – particularly data privacy and cybersecurity – remained focus areas. We updated multiple key group policies, including the sanctions and export controls policy.

In October 2022, Sharmistha Dubey, independent non-executive director, was appointed as a member of the audit committee, enhancing its composition.

## Dividend

The Prosus board has recommended that, in total, its shareholders receive a distribution of a gross amount of approximately €175m which represents an increase of approximately 7% for free-float shareholders. Subject to the requisite approval by Prosus shareholders being obtained, a dividend will be paid by Naspers in relation to the Naspers N ordinary shares and A ordinary shares from the amount that Naspers receives from Prosus, in accordance with the rights attaching to the shares as set out in the Naspers memorandum of incorporation. The Naspers dividends will be paid in South African rand. Given the weakening of the rand against the euro, the expected year-on-year increase in the dividends is higher than in the recent past. More information regarding the dividend will be published in due course.

## Looking ahead

During the new financial year we will undoubtedly face challenges again. We will navigate these as best we can. Hopefully, new opportunities may also appear along the way.

On behalf of the board, I thank everyone who contributed to our results for the year. We look forward to continued growth as a global consumer internet company dedicated to improving people's lives around the world.

**Koos Bekker**  
Chair

26 June 2023



# Our board



**Koos Bekker**  
70, male, South African and Dutch  
**Non-executive chair**  
P\* H N

Date of first appointment: 17 April 2015  
Date of last appointment: 25 August 2022  
Area of expertise and contribution: M&A, corporate finance, strategy, entrepreneur



**Bob van Dijk**  
50, male, Dutch  
**Chief executive and executive director**  
P R S

Date of first appointment: 1 April 2014  
Date of last appointment: 29 August 2014  
Area of expertise and contribution: M&A, tech expertise, entrepreneur



**Basil Sgourdos**  
53, male, South African  
**Chief financial officer and executive director**  
P R S

Date of first appointment: 1 July 2014  
Date of last appointment: 29 August 2014  
Area of expertise and contribution: Corporate finance, capital raising, debt management, capital allocation, statutory and public reporting, risk management, systems of internal control



**Nolo Letele**  
73, male, South African  
**Non-executive director**  
S

Date of first appointment: 22 November 2013  
Date of last appointment: 25 August 2021  
Area of expertise and contribution: Engineering, media



**Debra Meyer**  
56, female, South African  
**Independent non-executive director**  
S\*

Date of first appointment: 25 November 2009  
Date of last appointment: 25 August 2022  
Area of expertise and contribution: Sustainability, strategy



**Roberto Oliveira de Lima**  
72, male, Brazilian  
**Independent non-executive director**  
H N

Date of first appointment: 16 October 2013  
Date of last appointment: 25 August 2021  
Area of expertise and contribution: Insights into Brazilian businesses, business management, information technology



**Sharmistha Dubey**  
52, female, American  
**Independent non-executive director**  
A

Date of first appointment: 1 April 2022  
Date of last appointment: 25 August 2022  
Area of expertise and contribution: Engineering, insights into tech businesses



**Hendrik du Toit**  
61, male, South African and British  
**Non-executive director and lead independent director**  
N

Date of first appointment: 1 April 2016  
Date of last appointment: 25 August 2021  
Area of expertise and contribution: Investment management, sustainability and economics



**Craig Enenstein**  
54, male, American  
**Independent non-executive director**  
H\* N

Date of first appointment: 16 October 2013  
Date of last appointment: 25 August 2021  
Area of expertise and contribution: M&A, corporate finance, economics, valuations



**Steve Pacak**  
68, male, South African  
**Non-executive director**  
P A\* R\*

Date of first appointment: 15 January 2015  
Date of last appointment: 25 August 2022  
Area of expertise and contribution: M&A, finance, risk, strategy



**Ying Xu**  
59, female, Chinese  
**Independent non-executive director**  
S

Date of first appointment: 26 June 2020  
Date of last appointment: 21 August 2020  
Area of expertise and contribution: Corporate finance, retail, insights into online businesses in China



**Cobus Stofberg**  
72, male, South African  
**Non-executive director**  
S

Date of first appointment: 16 October 2013  
Date of last appointment: 25 August 2022  
Area of expertise and contribution: M&A, corporate finance, strategy



**Manisha Girotra**  
53, female, Indian  
**Independent non-executive director**  
A

Date of first appointment: 1 October 2019  
Date of last appointment: 25 August 2022  
Area of expertise and contribution: Investment banking, economics, corporate finance, insight into Indian businesses



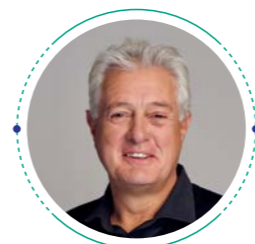
**Rachel Jafta**  
62, female, South African  
**Independent non-executive director**  
P N\* S R

Date of first appointment: 23 October 2003  
Date of last appointment: 21 August 2020  
Area of expertise and contribution: Economics, sustainability, corporate governance and education



**Angelien Kemna**  
65, female, Dutch  
**Independent non-executive director**  
A R

Date of first appointment: 15 April 2021  
Date of last appointment: 25 August 2021  
Area of expertise and contribution: M&A, finance, risk, corporate governance



**Mark Sorour**  
61, male, South African  
**Non-executive director**  
P

Date of first appointment: 15 January 2015  
Date of last appointment: 21 August 2020  
Area of expertise and contribution: M&A, corporate finance, strategy

**Key**

- A → Audit committee
- R → Risk committee
- S → Social, ethics and sustainability committee
- P → Projects committee
- N → Nominations committee
- H → Human resources and remuneration committee

\* Chair

For more detailed biographies, including relevant outside positions on each director, refer to our website at [www.naspers.com](http://www.naspers.com).

# Chief executive's review



**The power of technology is driving change in the world and Naspers is at the heart of this change.**

**Bob van Dijk**  
Chief executive

## Improving everyday life

We use technology to improve daily life for billions of people. This creates sustainable value for our customers and communities, our many stakeholders and our group as we build companies that today serve over two billion customers. We believe there is much more to come.

Our approach is founded on a multigenerational record of innovation, adaptation and reinvention. We understand the opportunity and importance of solving everyday problems for customers. Equally, we understand that local entrepreneurs are often best placed to do this.

As such, we continually identify and back innovative, ambitious local entrepreneurs. We nurture and support the companies we invest in, because our experience proves this is the best way to build sustainable businesses. Entrepreneurs find this long-term approach attractive, along with access to our operating experience and global scale. These are important criteria in a fast-moving and competitive world where available funding has almost halved since peaking in September 2021.

By aligning technology and data with key customer needs, we are able to increase convenience, frequency of use, reliability and safety. This is a long-term game. It takes ongoing investment to build the end-to-end capabilities that enable closer and stronger relationships with customers across the ecosystems of our core segments.

However, it also requires a disciplined approach to capital allocation, grounded in future returns. Typically, we progressively grow our capital commitments as we learn and scale. But we are disciplined about divesting from assets that no longer meet our rigorous return expectations. A clear example is our decision to exit the OLX Autos business prior to year-end, as discussed below.

Since we are focused on capturing the value of future technological change, AI is integral to our growth, innovation, and competitiveness. AI is employed ethically and responsibly across the organisation for improving customer experience and operational efficiency. We have fully embraced the potential of generative AI (GenAI), both as a technology to make all our businesses better, and as a key factor in our investment decisions. Our central AI team, which we started about five years ago, is instrumental to be a leader in developing and responsibly deploying GenAI.

## Progress on strategy this year

Our businesses continued to deliver strong growth while navigating a challenging and fast-changing environment. Despite widespread uncertainty throughout the review period, we have made good progress on our strategy to build valuable businesses across the group.

In 2022, growth expectations and valuations were under pressure as consumers adapted to higher inflation and interest rates. To address these challenges, we are reducing our cost base and we are taking further action to deliver long-term value to our shareholders.

In March 2023, we announced our exit from OLX Autos. This adjacency to our core classifieds business of OLX Group faced ongoing macroeconomic and market challenges. Higher cost of capital, high inflation and the reversal of pandemic trends resulted in a significant and persistent slowdown in the second-hand car market. While OLX Autos had built leading positions across many of its key markets given its strong technology platforms and local focus, pursuing a global growth strategy was no longer the right approach for our shareholders. We are exploring all options for this business, acknowledging that significant value exists in local markets.

The exit of OLX Autos will significantly improve the profitability profile of our Classifieds segment as a whole and supports our stated first half of FY25 ambition of a profitable Ecommerce segment.

That said, this turbulent environment has reduced the risk appetite for many investors and depressed market valuations, particularly in the tech and internet sectors. By mid-year, this had led to a very substantial widening in our discount to the sum of the group's asset value. To take advantage of this dislocation and generate substantial shareholder value, in June 2022, the group launched an open-ended multiyear share repurchase programme, funded by the daily sales of a limited number of Tencent shares and the concurrent repurchase of Prosus shares. This transaction locks in value immediately, while at the same time increasing the group's exposure to Tencent and its ecommerce portfolio on a per-share basis.

The recent groupwide initiative at corporate and in the segments to reduce headcount introduces risks. We rely on the expertise and knowledge of our people in the markets in which we operate but the reductions create capacity constraints that impact people's morale. We are working hard to adapt our operations to enhance their sustainability. We are focusing on core tasks so that our people have a sustainable workload. We are also changing our processes to ensure we manage our risks in this evolving legislative landscape. We remain committed to improving the engagement of our people and will maintain that focus in the coming financial year.

## Performance

We detail our performance on pages 46 to 73, with a detailed financial review from page 22.

In summary, on an economic-interest basis, group revenue from continuing operations grew 7% in local currency, excluding disposals and acquisitions to US\$33.2bn. This was driven by a healthy 19% (29%)<sup>1</sup> increase in Ecommerce revenues. Trading profit declined to US\$3.3bn, reflecting a lower share of profits from Tencent and increased organic investment to scale ecommerce extensions. As such, core headline earnings decreased to US\$1.1bn.

Group revenue from continuing operations grew **7% to US\$33.2bn**

<sup>1</sup> Percentages in brackets represent growth in local currency, excluding mergers and acquisitions (M&A).

As a global consumer internet group and a leading long-term technology investor, we recognise the power of technology to create solutions for some of the world's most pressing needs.

We are cutting costs as we expect the operating environment to remain challenging for the foreseeable future. We are accelerating various paths to profitability, with direct incremental investment in areas where we identified the best opportunities to create future value, profitability and cash flow generation. We closed operations where we believe profitable growth cannot be achieved. This will improve both operating leverage and profitability for the group in the medium term while creating a more efficient operating structure in the long term. We also continued cost-saving initiatives, reducing our corporate footprint.

To summarise our results, beginning with the four components of our Ecommerce segment:

- » **Food Delivery's** performance remained robust, driven by growth in quick commerce, which leverages the scale achieved in the restaurant delivery business. iFood grew in scale and improved its consolidated trading margins in both core food delivery and quick commerce. Given this strength, we acquired the remaining 33.3% stake of iFood from Just Eat Takeaway for €1.5bn, plus a contingent consideration of up to €300m.
- » **Classifieds'** revenue grew strongly and the core Classifieds sustained growth and improved profitability, despite the impacts of a tough global economy and Russia's invasion of Ukraine, which significantly affected OLX Europe.
- » In **Payments and Fintech**, the business continued to show growth in the core payment service provider (PSP) business and in credit in India. India's payments business grew on the back of increased wallet share in existing merchants and further diversification of the revenue base, both of which contributed to the improved trading profit margin. Global Payments Operations (GPO) showed robust revenue growth but was impacted by currency translation, while a once-off loss provision due to a merchant that went bankrupt and higher merchant acquisition costs drove GPO into a trading loss. Credit continued to scale while improving its trading margin through operating leverage.

- » **Edtech** recorded 28% (18%) revenue growth. Our enterprise platforms, Stack Overflow and GoodHabit, invested in product enhancement and footprint expansion, which drove a higher trading loss. Such investments were necessary to scale the platforms and improve product offerings as these businesses are positioned to benefit from companies upskilling and reskilling their workforce in a fast-changing, technology-driven world.
- » In our **Etail** segment, eMAG had a challenging year as online demand subsided in the face of a resurgent post-pandemic offline economy. In addition, the war in Ukraine resulted in a broader macroeconomic slowdown across Central and Eastern Europe.
- » Our **Ventures** arm adopted a prudent approach. While investing less capital during the year, the team continues to build a healthy pipeline of prospects for coming years. Ventures remains our engine for growing into new segments and markets.

**Responsible operator and investor**

As a global consumer internet group and a leading long-term technology investor, we recognise the power of technology to create solutions for some of the world's most pressing needs. We view technology as the cornerstone of a successful transition to a green economy that is inclusive and leaves no one behind.

As such, we are creating sustainable value through strategies that improve material efficiency, driving a systemic transition to a circular economy and low-carbon growth.

We are embedding our groupwide climate transition plan by setting and achieving absolute reduction targets on our net-zero journey.

In line with our decarbonisation strategy, we are setting groupwide, multiyear, science-based greenhouse gas emissions reduction targets that will drive our climate transition plan.

**The war in Ukraine**

Russia's protracted war on Ukraine remains a human tragedy, with significant global, social and economic repercussions.

While our OLX business in Ukraine has proven its resilience, we continue to support our people in several ways, and with financial support for humanitarian initiatives in the country.

In our last report, we announced our exit from the Russian classifieds business, Avito. We completed this disposal and received proceeds of RUB151bn (US\$2.4bn) in October 2022. Avito is now treated as a discontinued operation in the financial results and thus excluded from continuing operations. We also renounced our entire stake in VK, a social and internet platform in Russia.

**Looking forward**

We adapted our strategy to an uncertain macroeconomic environment to drive continued development of valuable, global, consumer internet businesses. The fundamentals of these businesses remain sound. We continue to have conviction in our platforms and are excited about opportunities ahead.

We are long-term investors and have invested through a number of economic downturns in volatile internet markets. We remain disciplined in our capital allocation, as investments now face a higher bar. We will continue to drive profitability, build scale and take action to manage expenses and free cash flow, even as we invest for growth. In the current environment, we maintain our preference for organic investment – focused on credit, and food and grocery delivery. We are building capabilities, expanding ecosystems and improving competitiveness to accelerate growth and deliver returns across our portfolio. This will expand the profit potential of our ecosystems over the medium term.

A healthy liquidity profile is helpful in uncertain times. Our ambition remains to manage the balance sheet within our investment-grade rating.

Finally, we remain committed to structural actions that unlock value for our shareholders over time. As part of this commitment, we will continue our open-ended repurchase programme as long as the discount remains elevated to structurally improve returns on investment.

**Bob van Dijk**  
*Chief executive*

26 June 2023

# Chief financial officer's review



**Decisive management actions in the review period support our purpose and strategy to create value for shareholders and all stakeholders.**

**Basil Sgourdos**  
Chief financial officer

In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated.

Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals. For further explanation of the use of APMs, refer to about this report in the governance section.

A reconciliation of the alternative performance measures to the equivalent IFRS metrics is provided in 'Other information - Non-IFRS financial measures and alternative performance measures' of these consolidated annual financial statements.

The operating environment in the fiscal year ended 31 March 2023 remained difficult and continued to be characterised by geopolitical and macroeconomic uncertainty. Amid that uncertainty, the group leveraged its strong financial footing and remained focused on building long-term sustainable value in local marketplaces across its main segments. After years of investment and growth, these segments have scaled meaningfully, creating clear paths to profitability for each. The group is committed to achieving consolidated Ecommerce profitability in the first half of FY25 while maintaining industry-leading levels of growth. We believe this will form a strong basis to continue delivering long-term value to our shareholders.

Please note that the growth rates discussed below represent a comparison between FY23 and FY22, unless otherwise stated. The percentages in brackets represent local currency growth, excluding mergers and acquisitions (M&A), and a clearer view of the underlying operating performance.

## Operating review

Our Ecommerce businesses maintained topline momentum. Consolidated revenue from continuing operations grew 8% (20%) to US\$6.8bn, with the biggest contributions from Food Delivery, and Payments and Fintech. Given a sharp rise in the cost of capital, M&A investment of US\$2.5bn was considerably lower than in recent years. We continue to explore opportunities, but are cautious as private market valuations remain high.

Increased consolidated trading losses from continuing operations of US\$844 reflect our focused approach to incremental investment in our Ecommerce growth extensions. Our businesses are focused on accelerating their paths to aggregate profitability while continuing to invest in high-conviction growth areas. We drove efficiencies and cut back aggressively on costs, including at a corporate level. This supported an improvement in trading loss from US\$376m in the first half of the year to US\$263m in the second half in our Ecommerce segment. For the year, growth extensions accounted for US\$492m of the trading losses. With the decision on OLX Autos, cost focus and focused investment on opportunities with high conviction on future profitability, we expected a continued significant reduction in trading losses in each reporting period and are committed to delivering consolidated Ecommerce trading profit during the first half of the 2025 financial year.

The core Classifieds business delivered sustained growth and improved profitability through stable operating metrics and strong performance in Europe. The autos and real-estate verticals and pay-and-ship initiatives contributed to revenue growth. Like listed peers, the OLX Autos business faced significant challenges and the group announced its intention to exit this business. This decision was driven by a major deterioration of market conditions in this industry towards the end of the second half of the year. The exit of OLX Autos will lead to a sizeable improvement in Classifieds and Ecommerce profitability.

Food Delivery's performance remained strong, with revenue growing well ahead of peers and profitability improving meaningfully. iFood continued to benefit from sustained momentum in the core restaurant food-delivery businesses and improved extensions, with targeted and disciplined investment in quick commerce and grocery marketplace. Given the group's conviction in iFood, we acquired the remaining 33.3% stake of iFood from Just Eat Takeaway in November 2022 for €1.5bn, plus a contingent consideration of up to €300m.

Payments and Fintech continued to see meaningful growth in the core payment service provider (PSP) business and in its burgeoning Indian credit business. India's payments business grew on the back of increased wallet share in existing merchants and further diversification of the revenue base, both of which contributed to improved trading profit margin. The credit business in India continued to scale and improved its trading loss margin, now approaching breakeven, by diversifying funding sources and enhancing cost discipline and risk management. The Global Payments Operations (GPO) showed strong revenue growth, but profitability was impacted by a once-off loss provision. Excluding this provision, the GPO business remains profitable.

In Edtech, our majority-owned enterprise platforms, Stack Overflow and GoodHabit, continued to grow but investments weighed on profitability. We invested in sales, product enhancements and global footprint expansion to better position the businesses, improving their overall product offerings and bringing scale to the platforms as corporations look for alternative ways to upskill and reskill their workforces. The current focus of investment is to leverage our strong generative AI (artificial intelligence) in-house capabilities to deliver significant value to customers.

Our robust balance sheet continues to provide liquidity and optionality with which to navigate a volatile environment. During the year, the balance sheet benefited from Tencent's distribution of JD.com and Meituan shares. The group exited the JD.com stake mid-year and received US\$3.7bn. The Meituan shares were received on 24 March 2023. In April 2023, Tencent announced a 50% increase in its dividend, which resulted in a dividend of around US\$758m received in June 2023.

In October 2022, the group completed the disposal of its Russian classifieds business, Avito, and received the proceeds of RUB151bn (US\$2.4bn). Avito is treated as a discontinued operation in the financial results and thus excluded from continuing operations. For OLX Autos, the operations that are classified as held for sale and the operations that are closed down by 31 March 2023 have been presented as discontinued operations and are reviewed separately by the CODM. OLX Autos operations whose exit process has not been finalised as at 31 March 2023 are presented as continuing operations.

In all, the group ended the year in a strong position with US\$16.6bn in gross cash and cash equivalents and US\$16.0bn in debt.

We are pleased with the group's resilient performance and financial footing in a particularly difficult macroeconomic environment. As noted by the chair, in FY23, we initiated an open-ended repurchase programme of Prosus and Naspers shares to preserve value for shareholders and increase our net asset value (NAV) per share over time. As announced, this is being funded by the regular on-market sale of Tencent shares. In the review period, we sold 3% of our shareholding in Tencent (being 9.7% of the issued share capital), generating proceeds of US\$10.7bn and reducing our holding to 26.16%. At the closing price of HK\$385.8 on 31 March 2023, this stake is valued at US\$123bn. We have been investors in Tencent for over 20 years, and remain confident in the future of the China tech industry and Tencent in particular. By 31 March 2023, Prosus had repurchased 152 797 117 Prosus shares and 4 152 285 Naspers shares, with a total value of US\$10.5bn. Naspers bought 16 320 371 for an additional US\$2.5bn, leading to a 4.5% accretion in the NAV per share. As long as the discount remains elevated, the group will continue to take advantage of this market aberration to create value for shareholders on a daily basis.

As part of this programme, Naspers received approval from the South African Reserve Bank to continue funding its buyback with regular sales of Prosus shares. By 31 March 2023, Naspers had sold 43 356 695 Prosus shares and bought back 16 320 371 of its own shares to the value of US\$2.5bn. Over time, the group intends to execute the programme in a manner that will keep the respective Prosus and Naspers free-float shareholder groups' relative economic interest in the underlying assets aligned with their position at the start of the programme.

In the fiscal year ended 31 March 2023, and in coming years, the group remains committed to: bringing its consolidated Ecommerce portfolio to profitability; continuing the open-ended share repurchase programme while its shares remain at elevated discount levels; pursuing simplification of the overall corporate structure; and crystallising value for investors in our portfolio of assets. We believe that these drivers acting in concert will result in meaningful value creation and shareholder return.

Given the wide geographical span of our operations and significant M&A activity in ecommerce, reported earnings were materially impacted by foreign exchange movements and the effects of acquisitions and disposals.

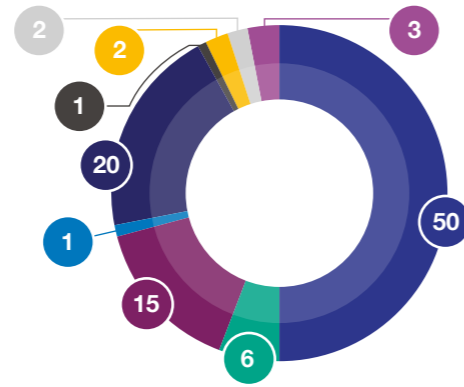
**Financial review**

**Revenue**

Our total revenue increased by US\$484m, or 8%, from US\$6 294m in the year ended 31 March 2022 to US\$6 778m in the year ended 31 March 2023, primarily due to the biggest contributions to growth from Food Delivery, and Payments and Fintech.

We operate 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 the local currency. The financial performance of our businesses is accounted for in the group in their respective functional currencies and translated to US dollar. The weakening of certain currencies against the US dollar in the year ended 31 March 2023 negatively affected our year-on-year performance by US\$2 721m, or 43%, through the translation impact, specifically in the Classifieds, and Payments and Fintech businesses. Revenue growth expressed in local currency, excluding acquisitions and disposals, of 7% was achieved in the year ended 31 March 2023.

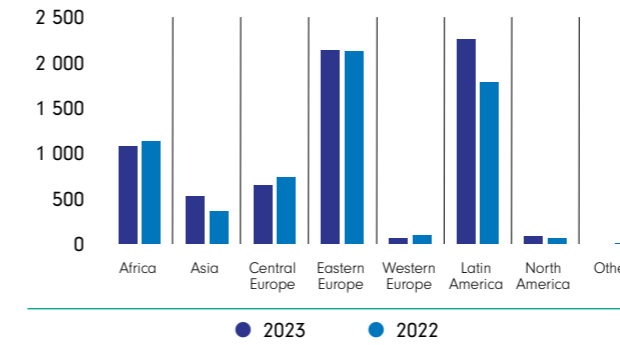
Total revenue (%)



	US\$'m	%
● Online sale of goods revenue	3 358	50
● Classifieds listings revenue	436	6
● Payment transaction commissions and fees	987	15
● Mobile and other content revenue	52	1
● Food-delivery revenue	1 366	20
● Advertising revenue	99	1
● Printing, distribution, circulation, publishing and subscription revenue	120	2
● Edtech	134	2
● Other revenue	226	3
<b>Total</b>	<b>6 778</b>	<b>100</b>

Online sales of goods revenue represented 50% and 56% of our total revenue in the year ended 31 March 2023 and the year ended 31 March 2022 respectively.

Revenue by geographic market (US\$'m)



	2023	2022
Africa	1 077	1 135
Asia	528	358
Central Europe	641	736
Eastern Europe	2 131	2 124
Western Europe	62	99
Latin America	2 252	1 776
North America	87	65
Other	0	1
<b>Total</b>	<b>6 778</b>	<b>6 294</b>

Group revenue, measured on an economic-interest basis, was US\$33.2bn, grew 7% in local currency, excluding acquisitions and disposals, driven by a healthy 19% (29%) increase in Ecommerce segment revenues.

**Costs of providing services and sale of goods**

The costs of providing services and sale of goods increased by US\$221m, or 5%, from US\$4 662m for the year ended 31 March 2022 to US\$4 883m for the year ended 31 March 2023.

Platform/website hosting, warehousing costs and costs of goods sold on those platforms decreased by US\$22m, from US\$3 151m in the year ended 31 March 2022 to US\$3 129m in the year ended 31 March 2023.

Delivery service costs increased from US\$611m in the year ended 31 March 2022 to US\$738m in the year ended 31 March 2023. This increase primarily related to logistics costs in the Food Delivery business on the back of increased gross merchandise value (GMV) of 27%.

Payment facilitation transaction costs increased by US\$98m from US\$605m in the year ended 31 March 2022 to US\$703m in the year ended 31 March 2023. The increase primarily related to the Payments and Fintech business, particularly in India, where the increased transaction volumes with merchants resulted in increased transaction processing costs. In addition, following the growth in the Food Delivery business, payments facilitation costs increased accordingly.

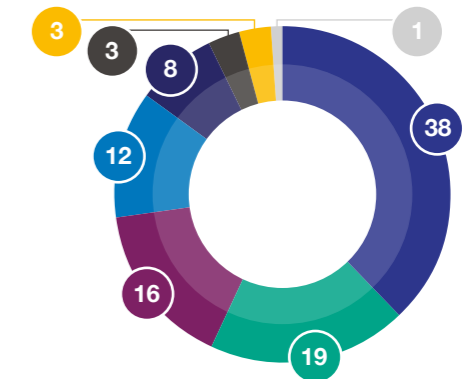
**Selling, general and administrative costs**

Selling, general and administrative costs increased by US\$78m, or 3%, from US\$2 454m in the year ended 31 March 2022 to US\$2 532m in the year ended 31 March 2023.

General business administrative cost increased by US\$64m from US\$477m in the year ended 31 March 2022 to US\$541m in the year ended 31 March 2023, primarily due to cost increases across all the segments as they scale.

Staff costs<sup>1</sup> decreased by US\$73m, or 5%, from US\$1 532m in the year ended 31 March 2022 to US\$1 459m in the year ended 31 March 2023, primarily due to a decrease in share-based compensation costs. This was partially offset by increased salaries, wages and bonuses resulting from annual increases.

Total number of employees (%)



	Number of employees	%
● Retail	10 366	38
● Food Delivery	5 210	19
● Classifieds	4 500	16
● Payments and Fintech	3 447	12
● Print	2 167	8
● Edtech	859	3
● Other	750	3
● Corporate	274	1
<b>Total</b>	<b>27 573</b>	<b>100</b>

<sup>1</sup> Adjusted and restated to account for OLX Autos.

Total permanent staff decreased from 28 300 at 31 March 2022 to 27 573 at 31 March 2023. Staff decreased particularly in the Classifieds and Etail segments. For further information regarding headcount, refer to the section on our people on page 79.

Cash share-based compensation costs decreased by US\$344m 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\$27m, or 14%, from US\$197m in the year ended 31 March 2022 to US\$224m in the year ended 31 March 2023. The increase in depreciation expenses primarily related to the acquisitions of property, plant and equipment, notably computer and office equipment, following growth in our Food Delivery businesses. Amortisation increased on the back of acquired intangible assets related to business combinations.

#### Finance income/(costs) – net

Net finance cost decreased by US\$261m from US\$349m in the year ended 31 March 2022 to US\$88m in the year ended 31 March 2023.

Interest expense increased by US\$164m, or 40%, from US\$407m in the year ended 31 March 2022 to US\$571m in the year ended 31 March 2023, as a result of full-year interest paid on the publicly traded bonds.

Interest income increased by US\$425m, or 733%, from US\$58m in the year ended 31 March 2022 to US\$483m in the year ended 31 March 2023, due to increased cash balances on hand.

Interest expense relates primarily to interest on the publicly traded bonds. Interest income includes interest earned on bank accounts and short-term investments.

Other finance income increased from a finance loss of US\$91m for the year ended 31 March 2022 to an income of US\$19m for the year ended 31 March 2023. This relates primarily to a gain on foreign exchange differences related to the foreign exchange impacts on the translation of assets and liabilities offset by fair value losses of derivative instruments, which include options exercised, forward exchange contracts, derivatives embedded in lease agreements and the cross-currency interest rate swap.

#### Share of equity-accounted results

Our equity-accounted results in equity-accounted companies decreased by US\$4 080m, or 44%, from US\$9 256m in the year ended 31 March 2022 to US\$5 176m in the year ended 31 March 2023. This is driven primarily by a decrease in our share of fair value gains on financial instruments of US\$1.7bn, reduced gains on acquisitions and disposals of US\$396m and additional impairment losses of US\$827m. This was in addition to reduced profitability in Tencent of US\$1.2bn and a decrease in Tencent's contribution to equity-accounted earnings as a result of the sale of this investment to fund the open-ended share repurchase programme.

#### Impairments

Impairment on goodwill increased from US\$246m recognised in the year ended 31 March 2022 to US\$684m in the year ended 31 March 2023. This relates to an impairment of US\$560m recognised on Stack Overflow and US\$116m recognised on the OLX Autos business unit.

Impairment on equity-accounted investments increased from US\$588 recognised in the year ended 31 March 2022 to US\$1 745 in the year ended 31 March 2023. This relates to an impairment of US\$997m (recognised in the first half of the financial year related to Delivery Hero), US\$301m related to Skillsoft and US\$448m related primarily to unlisted equity-accounted investments.

#### Net gains on acquisitions and disposals

Gains on acquisitions and disposals of US\$50m were recognised in the year ended 31 March 2023, compared to a loss of US\$1 128m in the year ended 31 March 2022.

In March 2022 a loss of significant influence of US\$1 137m was recognised on VK as a result of our resignation from the board of directors. This relates primarily to the reclassification of a portion of the group's foreign currency translation reserves related to VK from other comprehensive income to the income statement.

#### Taxation

Our tax expenses decreased by US\$16m, or 25%, from US\$64m in the year ended 31 March 2022 to US\$48m in the year ended 31 March 2023.

#### Profit from discontinued operations

Discontinued operations consist of the group's Russian business and the autos business unit. In May 2022, as a result of the continued conflict in the region, the group announced its decision to exit its Russian business. Accordingly, Avito was presented as a discontinued operation. The transaction was completed in October 2022. The group recognised a gain on disposal of the subsidiary of US\$568m. Discontinued operations for the OLX Autos business include the operations classified as held for sale and the operations closed down by 31 March 2023. Refer to note 36 for details of this business unit's disposal group.

#### Core headline earnings

Core headline earnings for the year were US\$1.1bn, a decrease of -48% (-14% in local currency) or US\$1.0bn, primarily due to lower contributions from our associates (US\$1.3bn) of which US\$1.1bn relates to Tencent. Refer to 'Other information – Non-IFRS financial measures and alternative performance indicators' of this report for a reconciliation of non-IFRS financial measures.

#### Cash and debt position

At year-end the group had a net cash position of US\$0.6bn, comprising US\$16.6bn in cash (including short-term investments) net of US\$16.0bn of interest-bearing debt (excluding capitalised lease liabilities).

The group's free cash outflow (excluding Avito) was US\$518m, a sizeable year-on-year improvement. This was due to improved working capital management and lower tax paid, specifically withholding tax due to fewer Avito dividends being received. Excluding OLX Autos, the free cash outflow was limited to US\$138m. Tencent remains a meaningful contributor to our cash flow via a stable dividend of US\$565m.

**Basil Sgourdos**  
Chief financial officer

26 June 2023

# Engaging with our stakeholders

To create sustainable value for our stakeholders, we actively engage with them to elicit their feedback to further inform our direction and strategic choices. We value their input and build constructive, long-term relationships to enable ongoing dialogue.

To support the board in fulfilling its governance role, the social, ethics and sustainability committee retains oversight of stakeholder management across the group. To balance the needs, interests and expectations of a diverse group of stakeholders, we take an inclusive approach.

## Our key stakeholder groups:

### 1 Customers and users

We want to help customers and users improve their everyday lives. Customers are indirectly represented through our portfolio of companies across various geographies that deliver services to their customer base.

### 3 Investors

We are a for-profit organisation committed to delivering value to shareholders and investors.

### 5 Industry bodies

We aim to be an industry leader in both the digital technology and investing sectors, playing an active part in our shared progress.

### 7 Media

We report transparently and aim to communicate to our broad stakeholder community through constructive relationships with the media.

### 2 Employees

Our employees are at the heart of our success. Their commitment and entrepreneurial drive make all the difference.

### 4 Business partners

We work closely with our business partners, including suppliers and consultants.

### 6 Our planet and society

We are committed to making a lasting positive impact for society and the world we live in.

### 8 Government and regulators

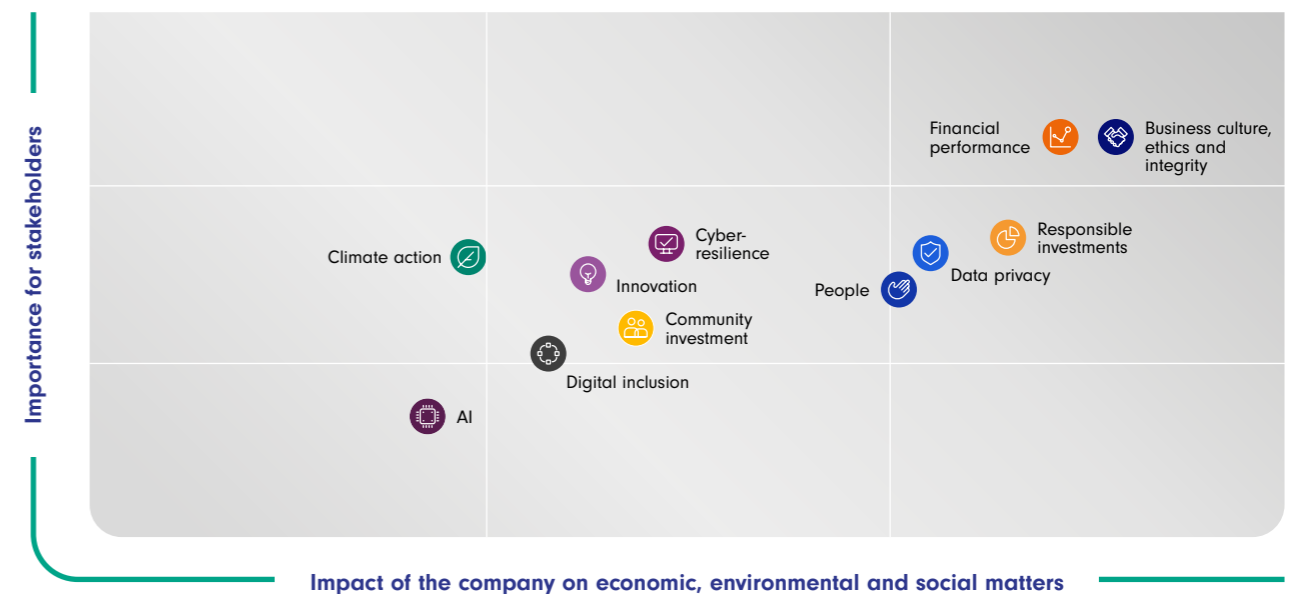
We recognise how important it is to work with governments and regulators as our portfolio of companies have a big impact on people's lives across diverse jurisdictions.

## Identifying material matters

Last year, we conducted a materiality assessment. This helped us identify material matters that are high priority for our stakeholders and with a significant potential impact on our business and society. We focus on these material matters and proactively communicate our position and performance on each, with three overarching objectives: to mitigate risk, manage performance and create sustainable value.

Based on feedback from our stakeholders, we identified 11 material matters. Predictably, for a technology group, these include data privacy, cyber-resilience, digital inclusion and artificial intelligence. Sustainability issues – from climate action to responsible investment – are high on that list. Stakeholders affected and our responses are summarised by stakeholder group on the following pages.

## Materiality results



With a view on the upcoming Corporate Sustainability Reporting Directive (CSRD) regulation, we have started the process to update our materiality assessment to align with the double-materiality approach. This means looking at material matters that represent relevant impacts of our business on the economy (environment, people and their human rights) as well as those that have or could have financial effects on Naspers. Building on our existing material matters, we created a long list of topics informed by the latest World Economic Forum (WEF) global risks report, referenced to the standards of European Sustainability Reporting Standards (ESRS) and the Sustainability Accounting Standard Board (SASB). This list was

contextualised to Naspers and referenced to our internal risk register. This list formed the basis of an online survey that asked stakeholders/experts to prioritise material matters and rank them based on: severity of impact on the economy, environment and people; and magnitude of potential financial effect on Naspers in the short, medium and long term.

We will continue to engage with stakeholders and experts to complete this assessment in coming months as interpretations of CSRD (and the underlying European Sustainability Reporting Standards) become clearer. We will disclose results in the next year.

Our material matters

Financial performance

We create value by growing our revenues and market shares, increasing our exposure to financial revenue from sustainable business models and driving profitability and cash generation. Our understanding of sustainable value creation applies strict discipline to capital allocation and performance management.

See page 22.

**Material matter**  
 Financial performance  
**Stakeholders affected**  
 » Investors and shareholders

Responsible investments

We are a responsible investor. We apply ESG factors in selecting and assessing new prospects and apply these criteria in managing the performance of businesses and investments across our portfolio.

See page 77.

**Material matter**  
 Responsible investments  
**Stakeholders affected**  
 » All

People

We help people achieve their potential and be their best. We work to realise this aspiration for our employees and across the value chain of our businesses, including for the many thousands of people who work on our platforms around the world.

See pages 78 to 82.

**Material matter**  
 People  
**Stakeholders affected**  
 » Employees

Digital inclusion

Digital inclusion underpins our business strategies. We extend access to digital products and services, promote digital literacy and support information technology infrastructure.

See page 82.

**Material matter**  
 Digital inclusion  
**Stakeholders affected**  
 » Employees  
 » Customers and users

Innovation

We find, nurture and scale innovative technology to create new ways of doing business. Our investments in sustainable value creation contribute to positive and systemic change by developing solutions to societal needs.

See pages 82 and 85.

**Material matter**  
 Innovation  
**Stakeholders affected**  
 » All

Artificial intelligence

We invest in pioneering technologies, guided by our group principles for the responsible application of AI. In building software-led business models, we aim to create value, and to engage in external advocacy for the ethical development of AI.

See pages 86 to 88.

**Material matter**  
 AI  
**Stakeholders affected**  
 » Society  
 » Customers and users  
 » Business partners  
 » Investors and shareholders  
 » Government and regulators

Cyber-resilience

We take cybersecurity seriously. Across our group, we protect the information technology infrastructure of businesses, governments and households against increasingly disruptive, frequent and sophisticated cybercrimes that could result in economic damage, financial loss, geopolitical tensions and social instability.

See pages 89 to 91.

**Material matter**  
 Cyber-resilience  
**Stakeholders affected**  
 » Society  
 » Customers and users  
 » Business partners  
 » Investors and shareholders  
 » Government and regulators

Data privacy

We create and adhere to the right policies and frameworks to control and secure the data of our business, customers and employees.

See pages 92 to 94.

**Material matter**  
 Data privacy  
**Stakeholders affected**  
 » Society  
 » Customers and users  
 » Business partners  
 » Investors and shareholders  
 » Government and regulators

Business culture, ethics and integrity

We embed our group goals, purpose and values in all business activities and operations. Although our influence on investees varies across our portfolio and supply chain, we are committed to effective communication and engagement with all our stakeholders.

See pages 95 and 96.

**Material matter**  
 Business culture, ethics and integrity  
**Stakeholders affected**  
 » Customers and users  
 » Business partners  
 » Employees

Community investment

We invest for real and sustainable impact in the communities where we live and work, applying the principle that local actors know best how to deliver meaningful change in local contexts.

See pages 98 and 99.

**Material matter**  
 Community investment  
**Stakeholders affected**  
 » Society

Climate action

Reducing GHG emissions and energy consumption is a priority for all our operations and investments.

See pages 100 to 109.

**Material matter**  
 Climate action  
**Stakeholders affected**  
 » All

Stakeholders



Customers and users

What matters to them

- » Positive experience – safety, fast delivery, return and feedback
- » Competitive pricing and range of products
- » Content preference
- » Trust
- » Data privacy

Material matters

How we engage

- » Call centres, showrooms and client relationship managers
- » Electronic communication (email, SMS, apps, web and social media platforms)
- » Workshops and events
- » Surveys and market research

Our response and impact

- » We are continuously improving our product ranges and the customer experience.
- » We ensure our offerings are competitively priced.
- » Our customer-focused initiatives include investing in and developing AI and ML to improve convenience and safety, to developing new services such as home delivery of groceries.



Employees

What matters to them

- » Providing jobs with meaning and a sense of purpose
- » Recruitment, retention and development of talent
- » Culture, including diversity and inclusion, employee wellbeing and engagement
- » Job security

Material matters

How we engage

- » Ongoing dialogue with our people is embedded in our work practices
- » Formal and informal channels to engage and encourage open communication, from leadership and CEO updates by email and video to face-to-face gatherings, online collaboration and content-sharing
- » Continuous learning and development through our online learning platform MyAcademy, and through live education programmes
- » Support given to retrenched employees

Our response and impact

- » We continually invest in developing our people, including creating and supporting professional development opportunities.
- » We recognise great work through fair and competitive rewards.
- » We focus on building an inclusive, empowered and supportive culture.
- » We care for our people through various health and wellbeing initiatives.
- » On our path to profitability, cost-saving initiatives were necessary, including staff reductions.



Society

What matters to them

- » Social investment to support meaningful impact
- » Minimising our environmental impact
- » Local employment and value creation, including supporting local businesses
- » Adhering to local laws and paying taxes due

Material matters

How we engage

- » Community investment programmes
- » Employment offering and service providers
- » Website content and public announcements on material matters

Our response and impact

- » Our businesses focus on maximising positive impact in local communities.
- » Our group aim is to develop products and services that meet societal needs.
- » We contribute to enabling and encouraging conscious consumerism.
- » We focus on hiring local employees and growing local talent, including investing in local businesses.
- » Safety of our employees is paramount, for example our initiatives in Ukraine.
- » Our group legal compliance programme is tailored to unique risks and local laws for each business.
- » We adopt a responsible approach to tax.

Quality of relationship

- Positive
- Stable
- Challenging



**Media**

**Material matters**

**What matters to them**

- » Our investment strategy and performance
- » Requests for comment on rumour and speculation, notably on potential acquisitions and divestitures
- » Requests for comment on reputational risk issues, such as cybersecurity and privacy
- » Our focus on geographies and our view on key industry segments
- » How we work across our group companies

**How we engage**

- » Press releases, editorials and articles
- » Interviews and reactive comment
- » Reporting through company website
- » Events

**Our response and impact**

- » We regularly engage with key journalists and editors to build relationships and understanding.
- » We proactively schedule media interviews to brief them on strategic updates and significant news.
- » We build announcement plans to maximise coverage.
- » We respond to requests for comment in line with communications and investor relations policies.
- » We are quick to correct inaccurate commentary or articles, as appropriate.

**Investors**

**Material matters**

**What matters to them**

- » Holding-company discount
- » Path to profitability and cash flow generation
- » Developing the optimal structure for the group
- » Capital allocation: Further buybacks, investment in core assets, and responsible M&A
- » Crystallising value at the right time
- » Internal rates of return
- » Remuneration policy and disclosure
- » ESG strategy, performance and disclosures
- » Strategy for core segments, and how we are investing for growth
- » Competition in various markets
- » Our approach to managing geopolitical and macroeconomic risks

**How we engage**

- » Investor meetings and teleconferences
- » Conference participation
- » Interim and annual reports
- » Financial results presentations and investor days
- » Business deep-dives
- » Press and stock exchange releases
- » Reporting via corporate website
- » Dedicated email address for inbound queries and distributing announcements
- » Instructive videos

**Our response and impact**

- » Management engages regularly with investors.
- » Our engagement and reporting includes focused messaging on the path to profitability, value crystallisation, open-ended repurchase programme and simplifying the group structure.
- » We provide biannual updates on our internal rate of return for the total portfolio and Ecommerce.
- » We are concentrating on reducing the holding-company discount.
- » We improved our ESG communications and disclosures.

**Governments and regulators**

**Material matters**

**What matters to them**

- » Sustainable development
- » Innovation and entrepreneurship
- » Competition policy
- » Taxation
- » Investments and international trade
- » Data protection and privacy
- » AI
- » Cyber-resilience
- » Private-public partnerships, international and other collaborations
- » Intermediary liability
- » Financial services legislation
- » Copyright and intellectual property (IP)
- » Tech policy, including ecommerce
- » Societal contribution, including employment and social policy

**How we engage**

- » Direct participation in advisory committees, meetings and public consultations
- » Formal one-on-one meetings and round-table discussions
- » Response to sector and company-specific enquiries
- » Indirectly through sector and industry associations
- » Participation in international events, such as BRICS (Brazil, Russia, India, China and South Africa) summits and membership of the World Economic Forum in Davos
- » Site visits, including hosting official delegations
- » Annual report

**Our response and impact**

- » We are transparent and have implemented a programme to ensure compliance with all applicable laws and regulations.
- » We make formal representations and written submissions to express views.
- » We provide information to policy-makers in the form of expert advice, based on our global experience as well as technology and sector expertise.

**Business partners**

**Material matters**

**What matters to them**

- » Continued supply of products and services
- » Awareness of relevant developments in the business
- » Understanding and recognising our partners' rights, specifically on changing procurement processes, pricing, content, platform use, privacy and security

**How we engage**

- » Structured meetings, calls and electronic communication
- » Informal day-to-day communication

**Our response and impact**

- » Strong relationship management systems ensure regular communication between key management and business representatives.
- » Structured grievance processes ensure that, in any dispute, we take timely action to find a resolution.
- » Through active negotiations, we ensure mandates clearly lay out the relationship and agreement terms and requirements.
- » Business approaches are reviewed regularly to ensure they align with international norms.

**Industry bodies**

**Material matters**

**What matters to them**

- » Clear communication of material matters
- » Engagement around increasing meaningful and positive impact
- » How to ensure a positive sector experience, for example through regulation and culture of the sectors

**How we engage**

- » Membership of selected and appropriate bodies
- » Co-operating with selected partners on projects addressing legislative initiatives

**Our response and impact**

- » We take the lead in responding to industry consultations on proposed regulations and legislation.
- » To build understanding and engagement across the industry, we share our approach and examples of action on specific material matters, such as how we align to changing legislation.
- » We produce thought leadership and position papers.

Quality of relationship

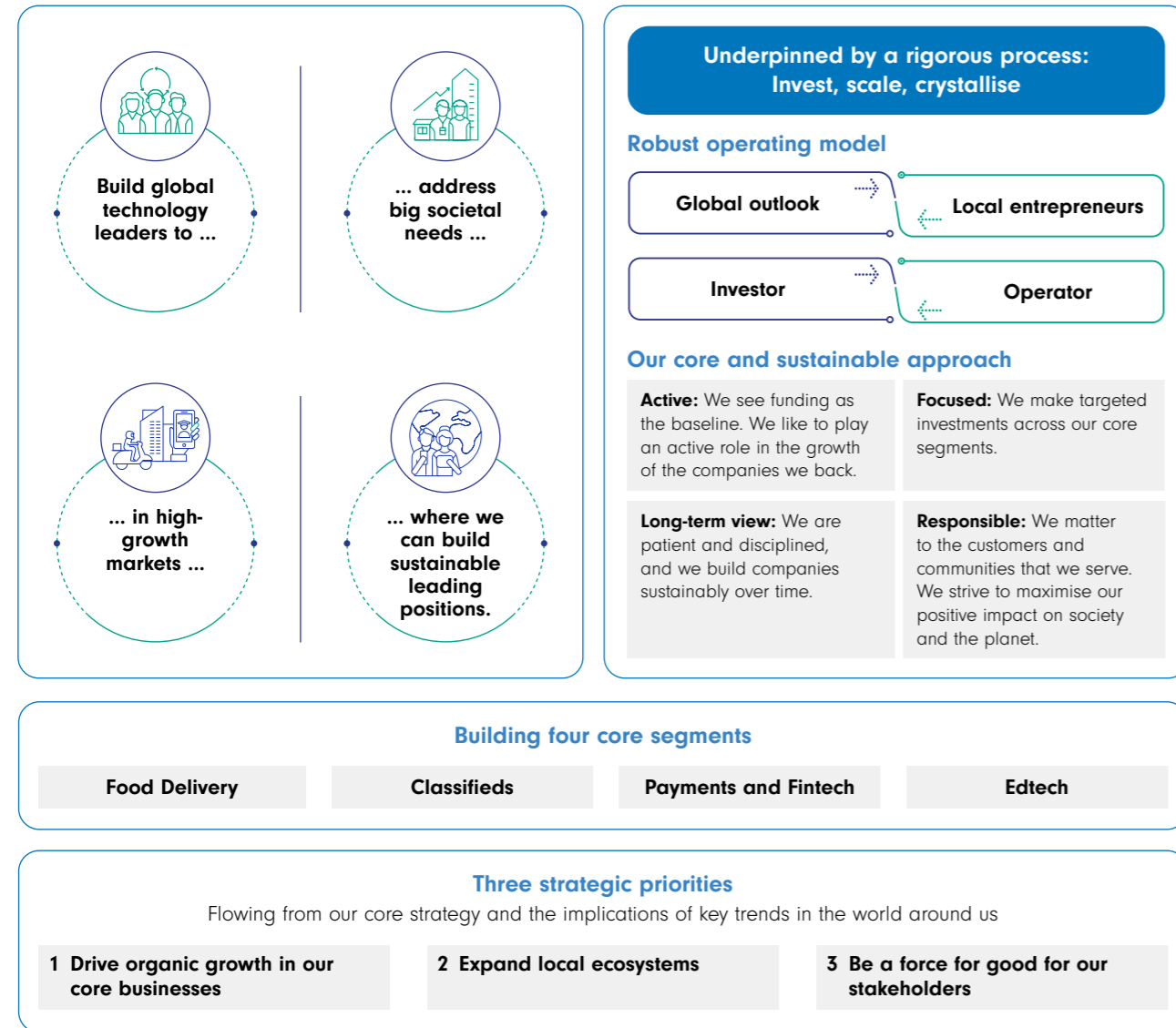
😊 Positive   😊 Stable   😞 Challenging

Material matters

Financial performance	Digital inclusion	AI	Business culture, ethics and integrity
Responsible investments	Innovation	Cyber-resilience	Community investment
People	Climate action	Data privacy	

# Our strategy

**Our strategy for building sustainable long-term value remains relevant and differentiated – we pursue growth by building leading companies that empower people and enrich communities.**



**Strategic priority 1: Drive organic growth in our core businesses**

We have identified significant opportunity in technology globally, knowing that certain markets will thrive more than others.

**Backing winning segments**

We will continue to focus on our core segments and drive their organic growth. While tech has done well across the board, we have invested in segments where we believe there is markedly more growth potential.

**Targeting high-growth markets around the world**

- » While regulatory change has recently curbed investor enthusiasm in **China**, we believe it remains one of the most attractive internet markets, and Tencent is well positioned there. We also believe regulation is ultimately healthy for any industry or market – in time, businesses will adjust and investor appetite will return.
- » **India** is a priority, and we are strengthening our teams and investments there. We will focus on backing local entrepreneurs to ensure we align well with India’s domestic priorities.
- » We are investing more in **south-east Asia**. We see opportunity there – growth is strong and smartphone adoption is rising rapidly.
- » In **Brazil**, we see strong opportunity for iFood. Again, we are focused on organic growth, particularly with respect to strengthening iFood’s local ecosystem. That ecosystem is centered around a strong food-delivery core that is supplemented by offerings in grocery, convenience retail, and fintech.
- » We will continue to monitor markets for opportunities and be selective in our approach, prioritising the biggest opportunities.

**Strategic priority 2: Expand local ecosystems**

Our businesses are building ecosystems with a strong local presence.

- » Our **Food Delivery** businesses are building on their sizeable delivery operations to extend into adjacent delivery verticals, such as convenience and grocery. This creates more value for customers and more value for our businesses.
- » We are expanding our **Payments and Fintech** platform in India to create a broader ecosystem.
- » We are building **valuable local ecosystems around local market heroes**, such as eMAG in Central and Eastern Europe. eMAG is building Romania’s largest last-mile delivery platform, growing food delivery rapidly, and expanding into grocery delivery.

**Strategic priority 3: Be a force for good for our stakeholders**

Shareholders, regulators and many other stakeholders are increasingly interested in how seriously we take our responsibilities as a global technology group: how well we look after our people and our customers; the kind of role we play in society; and the impact of our businesses on the planet.

We have a strong heritage of acting responsibly as a group. But much of this good work has been implicit – a natural consequence of fundamentals such as being disciplined about long-term value creation, backing entrepreneurs who share our values, and focusing on improving people’s everyday lives through technology.

We believe it has now become essential that we do business with the stated goal of being a positive force for the world around us. We will therefore ensure we are all clear on our role in the world, and on our expectations of each other. Through our Ventures arm, we are increasing our focus on sustainable investment themes, such as agtech (agriculture technology) and healthtech.

We have also formalised our approach to responsible investing.

You can find more details on page 77.

We are all united by our shared purpose – to improve everyday life for billions of people through technology – and our shared values.



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Sustainability review

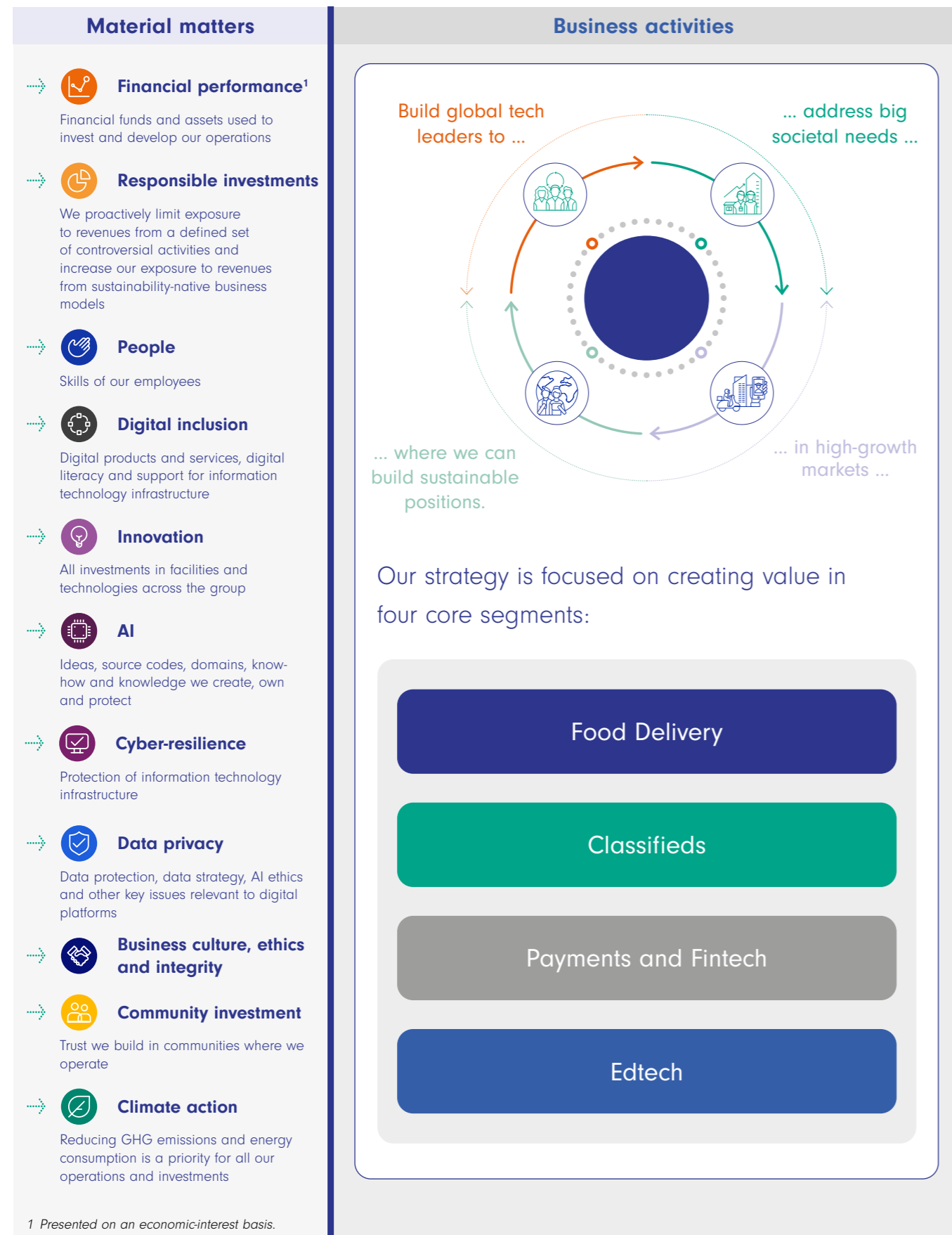
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# How we create value – our business model

**Our business model is directly linked to our strategy (page 32) and supports our purpose (page 6).**



How we measure value	Outcomes	SDGs
<p><b>We continue to deliver robust financial performance</b></p> <ul style="list-style-type: none"> <li>Achieve revenue at target</li> <li>Achieve core headline earnings of US\$564m, including Tencent</li> <li>Achieve free cash outflow of US\$1.22bn</li> </ul>	<p>Consolidated group revenue from continuing operations: US\$6 778m</p> <p>Core headline earnings, including Tencent<sup>2</sup>: US\$1 056m</p> <p>Free cash outflow<sup>4</sup>: US\$138m, excluding Avito and OLX Autos</p>	
<p><b>We deliver long-term shareholder value through disciplined capital allocation</b></p> <ul style="list-style-type: none"> <li>Meaningful internal rate of return (IRR) ahead of cost of capital</li> </ul>	<p>Total consolidated trading losses from continuing operations of -US\$844m</p>	
<p><b>We create workplaces with a fair and inclusive culture</b></p> <ul style="list-style-type: none"> <li>Diversity and inclusion is a business strategic priority and is measured</li> <li>Achieve 87% favourable response to the question 'I feel respected at my company' in the annual engagement survey</li> <li>MyAcademy is also a critical element in our AI and ML transformation plan. We use it to train people who are not in engineering roles in AI and ML, through our AI for everyone course</li> </ul>	<p>In the employee engagement survey, we achieved a global score of 83% favourable responses to our gender diversity question</p> <p>We achieved a score of 86% favourable responses to our inclusion question, 'I feel respected at my company'</p> <p>MyAcademy has enabled 105 technology colleagues to earn AI nanodegrees and initiate a new career path in the field</p>	
<p><b>We are committed to investing in and scaling digital services and technologies to address global challenges at a local level</b></p> <p><b>We provide innovative platforms and services to customers globally</b></p> <ul style="list-style-type: none"> <li>Continue to build our AI capabilities by increasing the number of ML modules in production</li> <li>Apply strict discipline to capital allocation, and act with integrity to promote ethical business principles</li> </ul>	<p>Maintained high standards of product quality</p> <p>We offer highly specialised training on several AI themes for engineers and product managers, including model deployment, ML pipelines, ML operations and natural language processing. A new addition is a series of tutorials and practical education modules on GenAI, such as prompting or training language models</p> <p>By year-end, the group NAV discount had reduced by 17 percentage points from 58% to 42%, creating over US\$25bn of value for shareholders.</p> <p>Impairment on goodwill increased from US\$246m recognised in the year ended 31 March 2022 to US\$684m in the year ended 31 March 2023, relating to Stack Overflow and OLX Autos</p>	
<p><b>Through our intellectual property, we drive change and innovation in the industry</b></p> <ul style="list-style-type: none"> <li>Throughout the investment life cycle, we strive to ensure that scientific and technical standards informing design and research in AI products and services are robust, and of high quality. We assess this continually</li> </ul>	<p>500 data scientists on the team</p> <p>&gt;4 000 software engineers and technical staff who work with PlusOne AI assistant</p>	
<p><b>We implement and maintain strong cybersecurity and enhance the resilience of our platforms and systems</b></p> <ul style="list-style-type: none"> <li>Ensure cybersecurity and technology risks are managed by our businesses</li> <li>Focus on ransomware prevention and response preparation</li> </ul>	<p>49 advisory and assurance projects to ensure cybersecurity risk management</p> <p>Updated cybersecurity policy with a ransomware addendum; creating a group playbook on how we would respond to a ransomware attack. Completed ransomware simulations to further refine our resilience to this growing threat</p>	
<p><b>We recognise that privacy is an important value and an essential element of public trust. We expect each of our businesses to adhere to our group policy on data privacy governance</b></p> <ul style="list-style-type: none"> <li>Seven key elements of a data privacy programme to ensure our core data privacy commitment and approach are followed in ways that really work for our businesses</li> </ul>	<p>Strong brands and solid reputation</p> <p>All subsidiaries completed two cycles of assessments across 17 data privacy domains set out in the group's privacy maturity model. Each company has selected at least two specific goals to improve maturity over the year</p>	
<p><b>We are committed to conducting business in compliance with the law and behaving ethically</b></p> <ul style="list-style-type: none"> <li>Human rights statement adopted across the group and its subsidiaries</li> <li>Enhanced ethics and compliance training</li> </ul>	<p>Human rights assessments across our value chain</p> <p>100% of group<sup>2</sup> employees completed ethics and compliance e-learning</p> <p>Risk assessments and annual plans completed for each segment, identifying key risks and initiatives for the year ahead</p>	
<p><b>We treat our partners fairly and drive high social value in our operations</b></p> <ul style="list-style-type: none"> <li>As part of our purpose to use technology to improve the everyday lives of billions of people, we place great emphasis on promoting inclusive, economically secure communities by doing what we do best – supporting promising entrepreneurs to make a lasting impact on the communities around them</li> <li>Beneficiaries supported through community investment programmes</li> </ul>	<p>The Prosus Social Impact Challenge for Accessibility (SICA) and FLIGHT programmes support sectors employing underserved populations</p> <p>Humanitarian relief in Ukraine</p> <p>In FY23, the Potencia Tech (tech power) platform was recognised by Notable CNN, and won a prize in the tech category. This online platform offers free courses, scholarships and job openings in tech roles, specifically for people underrepresented in traditional learning pathways. In FY23, over 30 000 learners signed up and around 1 500 found employment, 69 at iFood</p>	
<p><b>The group is committed to achieving net-zero emissions which is embedded in key performance indicators</b></p> <ul style="list-style-type: none"> <li>Reduce scope 1 and 2 emissions to zero at group level by year-end FY23</li> <li>Enhance ESG performance and implement a climate transition plan</li> </ul>	<p>Reduced scope 1 and 2 emissions to zero at a corporate level by FY23</p> <p>Strategy in place to meet our portfolio coverage target</p>	

<sup>2</sup> Employees in group-level functions.  
<sup>3</sup> Based on actual Naspers CORE in local currency, excluding M&A, based on budget.  
<sup>4</sup> Based on actual Naspers FCF, excluding approved adjustments.

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# The world in which we operate

## Despite significant global uncertainty, we believe technology can transform how people live their lives in every corner of the world, creating significant value for all.

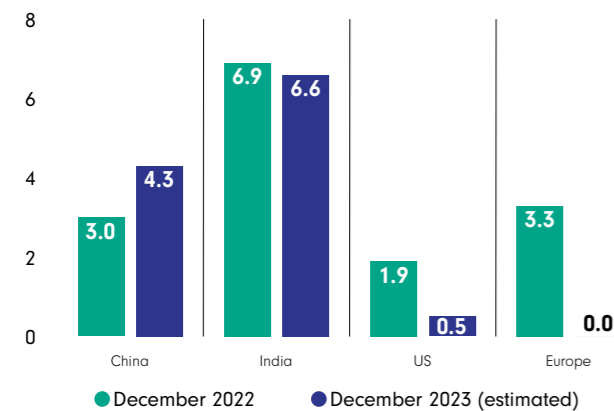
We have identified key trends relevant to our business across the macroeconomic environment, technology and society, and investor landscape. Their implications have been distilled into three strategic priorities for the group (covered in our strategy on page 32).

### Macroeconomic environment

Major health, economic and geopolitical events have impacted the macroeconomic environment greatly in recent years, and significant uncertainty remains.

India recorded the fastest real GDP growth globally in 2022, while China has reopened its borders after ending its zero-Covid policy and is stabilising the environment for tech regulation. As the world's two largest internet audiences, these are both markets in which we have good exposure.

### Real GDP growth<sup>1</sup> (%)



Updated on 19 January 2023.

<sup>1</sup> Respectively: S&P 500, Euro Stoxx 50, China A50, FTSE India. Source: World Bank, Fred, Eurostat, Capital IQ, investing.com.

### Our world is changing rapidly and we have a role to play

#### Eight billion people and rising

Our footprint is in high-growth markets.

#### Global developments

The shared global challenges of climate change and rising inequalities demand action from all sections of society.

#### Increased pressure on natural resources

High-growth markets have the largest vulnerable populations and resource disparities.

#### Future of business

Growing public demand for corporates to demonstrate value beyond financials – growth and profit are no longer enough.

#### Rapid digitalisation

As a digital technology investor and operator, we have both an opportunity and a responsibility.

#### Changes in capital markets

ESG investing is no longer the exception but the norm as investors demand and integrate environmental and social data into their decisions.

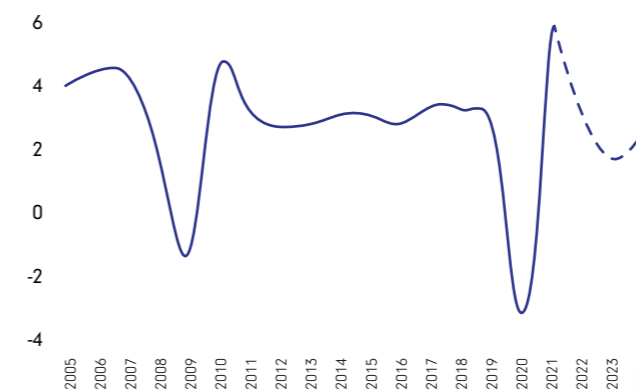
#### Generative AI

We systematically explore emerging technologies and accelerate them across the group. Refer to our section on artificial intelligence on page 86.

### Slowing economic growth with record inflation and rising interest rates

The state of the world today was largely caused by the exogenous shock of the pandemic early in the 2020 calendar year. While the decade-long bull run, fuelled by low interest rates and quantitative easing, may have ended for other reasons eventually, the pandemic forced lockdowns and a significant economic reversal, both in the real economy and in markets. Governments responded with massive stimuli, and some parts of the economy boomed. Inflation jumped and was fuelled by the spike in energy prices when Russia invaded Ukraine. Interest rates increased sharply in the 2022 calendar year and continued to increase in 2023 as central banks reacted to high inflation rates, resulting in deteriorating consumer sentiment and slowing economic growth.

### Global real GDP growth (%)



Source: World Bank, OECD.

Unsurprisingly, the 2022 calendar year was also a bear market. Rising rates and slowing economic growth were only part of the reason, as investor sentiment shifted massively from growth to profit. The significant market correction, with a sharp decline in the prices of public equities around the world, has been particularly pronounced in the technology sector.

The expectation for the 2023 calendar year is a further significant slowdown driven by high inflation, monetary tightening, and low consumer and business confidence.

Slowing economic growth compounds global inequality, which has worsened since the pandemic – undermining social cohesion, happiness and stability. Companies that address societal needs, like Naspers, have an important role in reducing inequality.

### Diverging prospects across countries – China and India remain strong

While macroeconomic drivers are the same across the world, there is wide variation in how significant economies have been performing.

China's GDP growth in the 2022 calendar year was 3.0%. While high compared with most Western markets, this is a significant deceleration from pre-Covid-19 years. This has been caused by the economic cost of the zero-Covid policy, the government's stricter policy stance on tech companies, and lower demand globally for Chinese exports. With the end of zero-Covid and a stable environment for tech regulation, China tech forecasts an improved outlook, although much uncertainty remains.

India's economy has demonstrated resilience, despite a challenging external environment, and it remains one of the fastest-growing major economies in the world.

### Tech and society

The pandemic changed people's lives forever by accelerating the use of technology. However, the consequent growth of tech titans produced a countertrend of anti-tech sentiment and rising regulation. As a responsible tech operator and investor, we are well positioned to navigate and contribute to our changing world – creating value for our stakeholders.

### Pandemic patterns persist: We are changed forever

Since the 2020 calendar year, people have redefined how they work, interact, shop and play, with much of this everyday activity moving online. As pandemic restrictions have lifted, a new balance between online and offline is being established, but the shift to online is now entrenched. At the same time, sustainability has become a pressing concern given the mounting evidence of a climate crisis. In tandem with moving online, people are going green and they increasingly expect companies to play their part.

**The rise of a tech-enabled world**

Technology is at the heart of transformation and tech titans, such as Amazon, Google and Microsoft, surged in value during the pandemic. The recent experience of mega-cap tech companies echoes the experience of many across the tech landscape. All have confronted slowing growth and reduced profits as the economic environment put pressure on their businesses. Many announced layoffs (albeit small compared with their overall workforce). However, the changes evident in recent years are foundational and expected to endure. The way we live our lives, the way companies operate and market their products – people and businesses are relying more on technology.

**A worldwide crackdown on big-tech**

While the technology sector has significant growth potential, challenges remain given the world’s increasingly critical and political view of the sector. Accordingly, regulation is growing. This is normal – historically, all new sectors have faced greater oversight as they grew. Broad technological advancements pose significant challenges for regulators who strive to maintain a balance between fostering innovation, protecting consumers, and addressing the unintended consequences of digital disruption at scale. Globally, regulators must balance their responsibility to protect citizens with encouraging innovation in new technologies and businesses while avoiding the risk of overregulation.

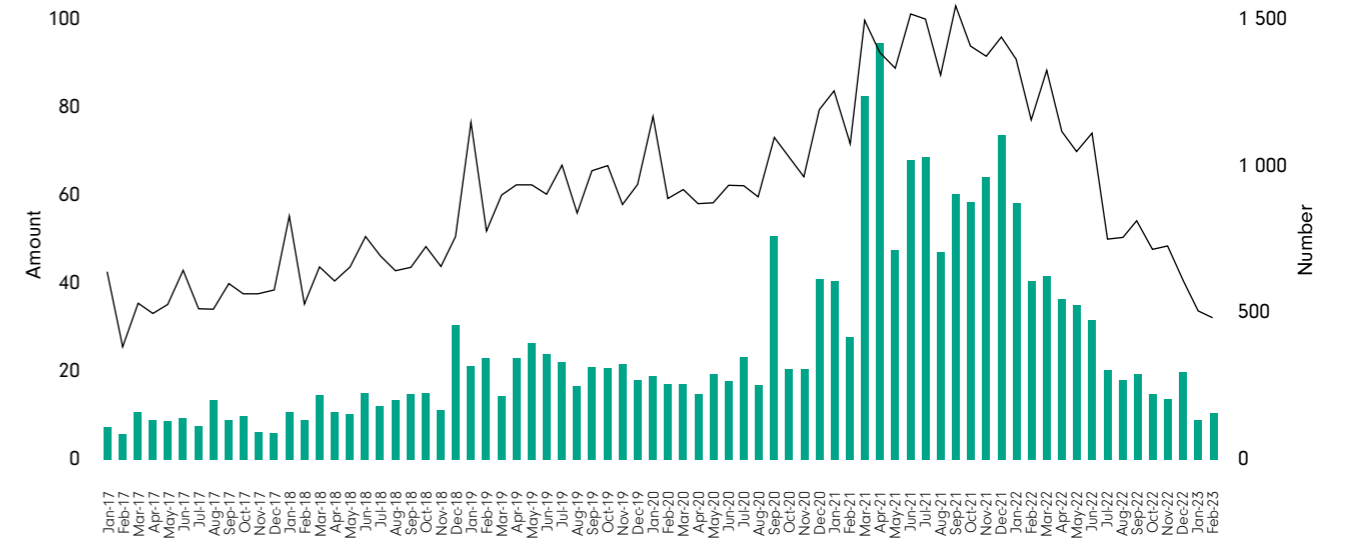
**Investor landscape**

Tech investment activity and valuations peaked in the 2021 calendar year when significant global capital was committed quickly on a broad range of investments. While private deal flow slowed significantly in the 2022 calendar year, we believe our focus remains true – we are confident that disciplined investment in exceptional entrepreneurs with outstanding tech-led businesses positions us to create long-term value.

**Significant downturn in tech investing**

According to PitchBook and based on calendar years, global venture investment plummeted in 2022 to the levels of 2017. Public market valuations also fell significantly. However, in contrast to panic selling at the onset of the pandemic in 2020, the sell-off in 2022 was orderly, with relatively lower volatility. Further downside is possible – particularly as the effects of the economic slowdown are felt, and companies revise earnings estimates down. Importantly, although an all-out global war is unlikely, escalating geopolitical tensions could disastrously impact markets.

**Private funding rounds\* (US\$'bn)**



\* Tech companies, excluding China, only including funding rounds with announced amount; excluding debt, secondary, unspecified rounds and companies out of business.  
Source: Naspers tech company database, PitchBook, CB Insights.

Against this background, we will remain a disciplined technology investor, creating sustainable value in our own distinctive way.

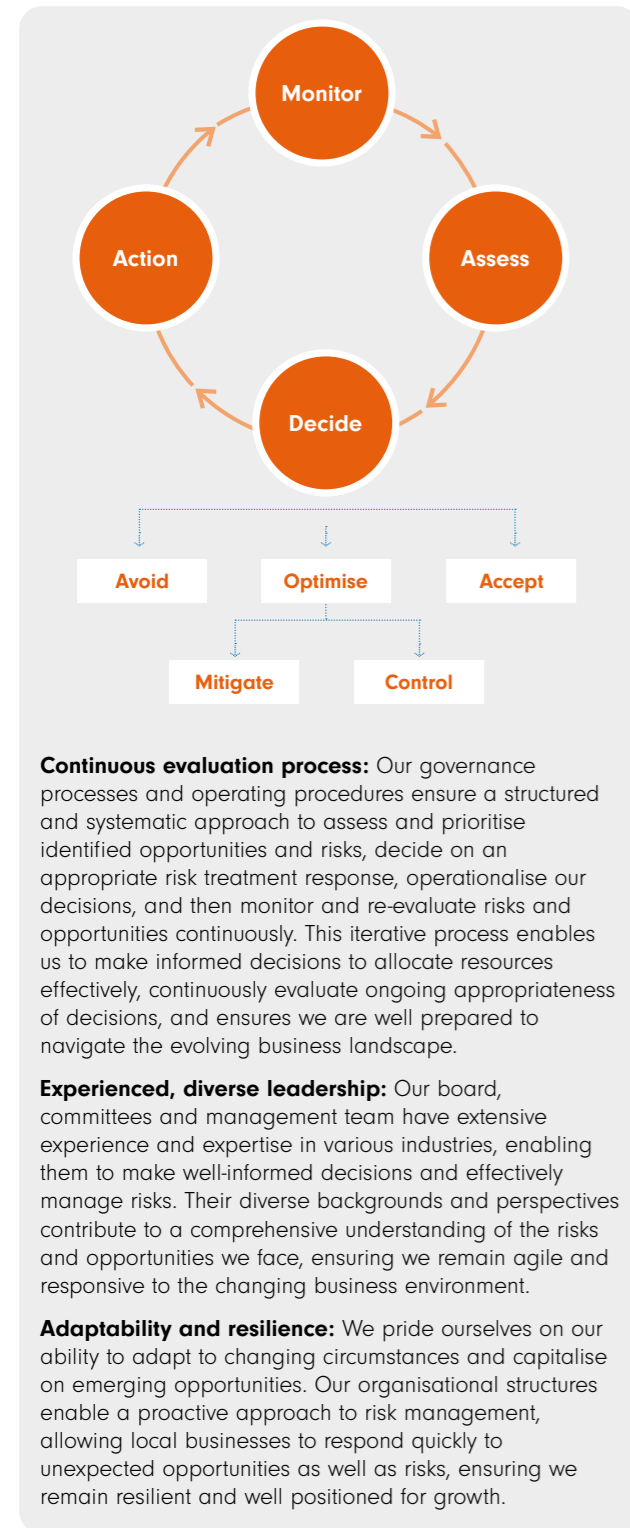
**Responding to the trends**

In the past year, the world has been shaped by powerful macro, geopolitical, technology, regulatory and investor forces that have been challenging for all.

Despite the challenges, we remain focused on improving lives through technology and well positioned to capitalise on opportunities in this time of dislocation. We are prudent, focused and have an operator’s advantage in assessing and optimising investments. Our global network is strong and our differentiation as patient, company-building capital is distinctive. We have well-established businesses in our portfolio as well as assets that can provide meaningful capital as we need it.

# Choosing the right opportunities and balancing risks

As we develop our businesses and grow value sustainably, we understand the importance of effective risk management and therefore continue to foster our governance processes. These support us in setting the right objectives while identifying and managing related risks, as well as any additional opportunities to exceed our plans.



**Continuous evaluation process:** Our governance processes and operating procedures ensure a structured and systematic approach to assess and prioritise identified opportunities and risks, decide on an appropriate risk treatment response, operationalise our decisions, and then monitor and re-evaluate risks and opportunities continuously. This iterative process enables us to make informed decisions to allocate resources effectively, continuously evaluate ongoing appropriateness of decisions, and ensures we are well prepared to navigate the evolving business landscape.

**Experienced, diverse leadership:** Our board, committees and management team have extensive experience and expertise in various industries, enabling them to make well-informed decisions and effectively manage risks. Their diverse backgrounds and perspectives contribute to a comprehensive understanding of the risks and opportunities we face, ensuring we remain agile and responsive to the changing business environment.

**Adaptability and resilience:** We pride ourselves on our ability to adapt to changing circumstances and capitalise on emerging opportunities. Our organisational structures enable a proactive approach to risk management, allowing local businesses to respond quickly to unexpected opportunities as well as risks, ensuring we remain resilient and well positioned for growth.

The risks we assume, how we respond to those, and how combined assurance is applied to our desired risk profile are discussed regularly at the board. This is done in line with generally accepted frameworks and good practice, including King IV.

No business can be conducted without accepting risk. As such, our strategies may present both familiar and new exposures that could affect our success. In the spirit of good entrepreneurship, we accept risks responsibly, balancing risk for reward. We aim to reduce undesirable risk exposures by implementing and operating cost-effective risk treatment plans and/or controls.

We believe that doing so intelligently will deliver sustainable value growth and protect against avoidable loss. Depending on the type of risk (strategic, internal operational and external), our philosophy is broadly outlined as follows: strategic risks we seek to understand and accept responsibly to realise a balanced return; internal operational risks we aim to control to the extent that we optimise our risk profile benefiting our tolerance; and external, non-controllable risks we aim to reduce and mitigate as far as economically sensible.

» **Strategic risks** – that stand in the way of successfully delivering on our strategic priorities and realising the desired return on allocated capital – we may **accept** as we are confident that we understand and stay close to our markets, changes in the regulatory environment and the global economic and geopolitical landscape. This allows us to react rapidly should circumstances dictate. Our primary focus remains on anticipating and serving the needs of our customers in chosen markets as well as we can, and keeping our services relevant for them in their daily lives. In addition, we pay close attention to our stakeholders’ needs and expectations by, among others, incorporating sustainability considerations in our decision-making and engaging in open conversations with shareholders, regulators and other internal and external stakeholders. We have structured our organisation to be agile and responsive to unexpected developments, emerging risks and opportunities, and to promote the same in our businesses. We have large stakes in businesses and listed entities that, due to their size, are major contributors to our results and net assets, but which we do not control. However, we stay close to these assets, enabling our continued belief in their potential and management. We are confident that our combined team is strong and well equipped to deliver and deal with challenges on the way. Lastly, our diversified portfolio of assets and businesses reduces our vulnerability to strategic risks.

» **Internal operational risks** – that would cause avoidable (opportunity) cost or threats to the value of our reputation and brands, including failures to comply with laws and regulation, and unethical behaviour (including fraud) – we **reduce and control** to acceptable levels by:

- Upholding our code of business ethics and conduct.
- Implementing organisational structures with clear roles and responsibilities.
- Maintaining policies and standard operating procedures.
- Implementing the right support systems.
- Effective operational, financial and IT (cyber) controls.
- Applying suitable reporting and processes that allow us to monitor risks and respond swiftly.
- Relying on our people to behave responsibly and deliver what is expected from them. In managing and developing our diverse talent pool, we keep that front of mind. We promote a healthy culture that encourages (and rewards) good performance and in which people feel safe and are encouraged to speak up.

» **External risks** – that may cause harm and damage by events beyond our control, including natural or manmade disasters, pandemics, social unrest, and (cyber) crime, as well as counterparty and capital markets risks – we **reduce and mitigate** by:

- Implementing protective measures (eg restricting physical and logistical access).
- Transferring and reducing risk through contractual arrangements.
- Managing our balance sheet well.
- As far as economically sensible, procuring financial products that provide loss protection (eg forward contracts and insurance).
- Managing credit and counterparty risk closely to be able to accept the right level of risk for our business. The latter is accomplished by strict policies on risk acceptance and budgetary controls, due-diligence processes in onboarding customers and suppliers, risk spreading, and close monitoring.

## Key topical risks and opportunities

**Geopolitical tension** has caused **stress on the global economy and capital markets**, significantly increasing the cost of capital. We expect the business environment to remain challenged for the foreseeable future and further escalations cannot be ruled out, demanding a prudent stance to investing. We cannot control these risks but we monitor developments and focus on further growing the value potential of our portfolio while operating at leanest cost. At the same time, we continue our mission to reduce the discount to net asset value, partly through our open-ended repurchase programme. Our strong balance sheet and cash position positions us well and we may be able to identify attractive investment opportunities as valuations have generally come down.

Natural disasters, extreme weather events and failure to mitigate climate change are among the world’s top 10 risks, according to the latest Global Risks Report 2023 from the World Economic Forum. Climate considerations are therefore becoming a core part of investment decisions across capital markets and affect our access to capital.

**Climate-related physical risks** that arise from operating in increasingly unpredictable and extreme weather conditions are specific to locations where we have an extended physical footprint of our operations. As a group of digital platform businesses, our exposure to the physical risks (our physical footprint) is limited as we are asset-light and do not have dependencies on natural resources for the manufacturing or delivery of our core products and services.

Out of our entire span of businesses, it is largely our Food Delivery and Etail segments that have physical infrastructure as part of their business models. As weather conditions like extreme heat become normative in communities where there is inadequate infrastructure to deal with the impact of the extreme weather our operations could be impacted. However, our location-based assessment of the exposure to physical risks presented by changing climate and weather conditions across our businesses remains low. Please refer to our environmental programme for an overview of climate-related physical risk assessment across our majority-owned companies and our mitigation actions.

Climate-related **transition risks** such as emerging regulations and changing consumer preferences can have an impact on a company's commercial performance. The digital nature of our businesses with a correlating low carbon footprint limits the risk of financial impact from climate regulations that tax greenhouse gas emissions. We further mitigate this risk through our efforts on the decarbonisation of our operations.












We do have an exposure to reputational risks related to the environmental impact of our Etail and Food Delivery segments due to the use of fossil fuel-based delivery vehicles and packaging. We are currently working with our companies to deploy programmatic solutions to transition to electric vehicles and sustainable packaging to solve these emission hotspots.

**Sustainability reporting** requirements like CSRD are increasing significantly and pose additional compliance challenges. Specifically, in context of our group of companies that largely operate outside of the European Union where there can be lower maturity and lower expectations on ESG reporting, we believe that there is a risk that our companies are penalised for not having already achieved the results on ESG performance of European companies. The current reporting frameworks reward results, not transition and intent. Our companies that are mostly private are at a disadvantage as they have yet to build out their ESG disclosures to the level of mature European ESG counterparties which is expected by the upcoming disclosure regulations. There will be a need for internal dialogue on prioritisation of resources, towards ESG disclosures, versus the path to profitability.

We have a strong commitment to transparency and to raising awareness about this deep divide between companies that have mature ESG disclosures to those that are starting on that journey.

Like many of our peers, we have reduced cost and headcount. The impact of these necessary actions weighs on our staff. While we find new ways of working and organising ourselves to be as efficient as we can be, the risk of unexpected operational issues and reduced morale from **strained resources** is currently heightened. This is amplified by a global shortage of talent, especially in technology. We are strongly committed to the wellbeing of our staff. By creating the right inclusive environment for them to thrive and feel recognised, and by offering competitive compensation, we aim to grow a stronger workforce and gear up for success.

Globally, we observe **technology developments** continuing to happen rapidly. We stay on top of these, such as in data and generative AI, to early identify any emerging risks and ensure responsible use of data and related technologies to keep our customers safe. Equally, we stay focused on opportunities to further develop and adopt tech advances to improve our products and services. **Cyber and information security** remain key aspects and focus areas.

Material matters	Associated risk
 <b>Financial performance</b>	We accept risks responsibly, balancing risk for reward. Strategic risks we seek to understand and accept responsibly to realise a balanced return; internal operational risks we aim to control to the extent that we optimise our risk profile benefiting our tolerance; and external, non-controllable risks we aim to reduce and mitigate as far as economically sensible.
 <b>Responsible investments</b>	In recent years, investors' awareness of ESG issues, such as climate change, pushes them to invest in funds that benefit society and generate returns. The continued focus on ESG performance scores will mean businesses that do not meet certain ESG-based criteria will not attract investment.  Our capital-allocation disciplines underlying our investment strategy may not deliver the (above-average) sustainable return our investors seek for the risk they perceive. We may not find investment opportunities that fit our strategy and deliver an expected return above our cost of capital. Portfolio risk may prove higher than we assumed to accept, which could negatively impact the internal rate of return and lead to a decline in the valuation of Naspers.  Refer to the sustainability review to understand how we manage our performance on this material matter.
 <b>People</b>	Global shortage of high-calibre (digital) talent.  Employees are actively seeking employers that reflect a higher sense of purpose and they choose to be part of a company that contributes positively to society.  Non-compliance with applicable occupational health and safety, as well as labour and economic empowerment laws.  Refer to the people section to understand how we manage our performance on this material matter.
 <b>Digital inclusion</b>	Digital inclusion is a global risk and prevalent in the countries in which we operate. As a global technology investor and operator, we are exposed to markets where information and communications technology (ICT) is slow to develop, and uptake as well, due to specific in-country constraints.  Refer to the digital inclusion section to understand how we manage our performance on this material matter.
 <b>Innovation</b>	Our strategy for digital services places particular focus on software-led innovation. Failure to properly protect and enforce our businesses' IP rights against any unauthorised use or infringement by third parties may lead to loss of market share, revenue opportunities and reputation.  Refer to the innovation section to understand how we manage our performance on this material matter.
 <b>Business culture, ethics and integrity</b>	Unethical behaviour in breach of our code of business ethics and conduct.  Loss of consumer trust, for example failing to deliver on our service promise, data security breaches, non-compliance and inferior product offerings.  A listed company is expected to demonstrate responsible business conduct in line with stakeholder expectations of its ability to impact and be impacted by material issues. Lack of transparency and information in the public domain on topics important to stakeholders can cause reputational damage.  Non-compliance with laws and regulations in the countries where we operate, specifically company law, data privacy, anti-bribery and anti-corruption, taxes and duties, licence conditions, consumer protection, anti-money-laundering and international sanctions.  Refer to the business culture, ethics and integrity section to understand how we manage our performance on this material matter.  Infringement of human rights contrary to the group's human rights statement.  Refer to the upholding human rights section to understand how we manage our performance on this material matter.
 <b>Community investment</b>	Perception of inaction on community investments for social impact can lead to reputational damage.  Refer to the community investment section to understand how we manage our performance on this material matter.
 <b>AI</b>	We are increasing our investments in online service platforms and data-driven technologies, which results in heightened risk of technology obsolescence or falling short in building AI/ML solutions for our service and product offering.  Refer to the artificial intelligence section to understand how we manage our performance on this material matter.
 <b>Cyber-resilience</b>	Our systems and the data they store are subject to various IT security threats, which target sensitive information, integrity and continuity of our services and the reputation of our businesses.  Ineffective response, including insufficient innovation, to meet our customers' changing demands and consumption patterns.  Refer to the cyber-resilience section to understand how we manage our performance on this material matter.
 <b>Data privacy</b>	A failure in or breach of our operational or security systems or those of third parties with which we do business could disrupt our businesses, result in the disclosure or misuse of personal, confidential, or proprietary information, damage our reputation, increase our costs and cause losses.  Refer to the data privacy section to understand how we manage our performance on this material matter.
 <b>Climate action</b>	Climate-related physical risks from operating in increasingly unpredictable and extreme weather conditions are specific to locations where we have an extended physical footprint of operations.  Climate-related transition risks such as emerging regulations and changing consumer preferences can have an impact on a company's commercial performance.  Refer to the climate action section to understand how we manage our performance on this material matter.









# Path to profitability

## We have a long history of investing and building businesses, then crystallising value.

It is in our DNA to look for new opportunities, see the potential others are not seeing and then to do the hard work of building, bringing businesses to scale and profitability. This is the case for our Ecommerce portfolio, which houses our core growth segments: Food Delivery, Classifieds, Payments and Fintech, and Edtech.

As expected, FY23 marked the peak of our investment in ecommerce, with profitability and cash flow generation improving from this point. We are well on track to deliver our goal for aggregate profitability (illustrated below) during the first half of FY25. Our strong balance sheet and significant liquidity are key advantages in the current climate, underpinned by our disciplined approach to M&A and commitment to maintain our investment-grade rating.

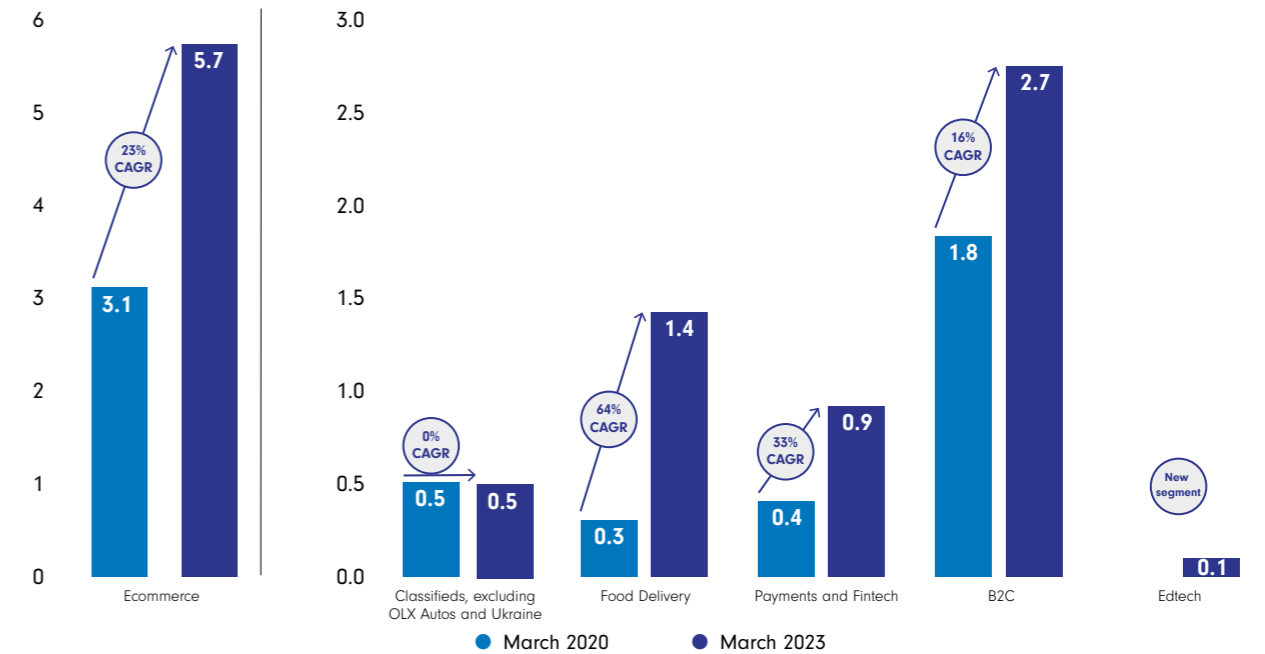
### Significant progress since listing Prosus in 2019

 <p><b>Ecommerce scaling fast</b> Consolidated revenue CAGR loss of US\$156m</p>	 <p><b>Structural improvement</b> Doubled Prosus' free float</p>
 <p><b>Built valuable growth extensions</b> Continued investment of US\$492m in high conviction growth areas in groceries, credit and Edtech</p>	 <p><b>Enhanced disclosure</b> Financial and remuneration reports</p>
 <p><b>Scaled core profitability</b> Core Classifieds, Food Delivery and Media are profitable, core Payments and Fintech is almost at breakeven</p>	 <p><b>Strengthened shareholder engagement</b> Value creation, structural action, compensation, sustainability</p>
 <p><b>Strengthened balance sheet</b> Issued US\$10bn bonds at attractive rates, net cash position</p>	 <p><b>Unlocked value for shareholders</b> US\$20.6bn shares repurchased since 2020</p>

### With more to come

We have grown our business over the past three years.

#### Revenue (US\$'000)<sup>1</sup>



<sup>1</sup> Results of majority-owned and managed businesses. This excludes results from associates and joint ventures. The segmental view excludes Mobile, which is included in Ecommerce. Growth percentages represent three-year revenue compound annual growth rate (CAGR).



# India



## India forecast to be the fastest-growing economy in 2023

### Highlights

2023

 Population  
**1.4 billion**

 Unemployment rate  
**7.8%**

 GDP  
**7%**

 Inflation  
**6.8%**

2026\*

Fintech market  
**US\$5tn to US\$6tn**

BNPL (buy-now/pay-later)  
**35% >US\$80bn**

Retail digital transactions  
**28% CAGR**

Smartphone penetration  
**81%**

\* Estimated.

### Naspers offers

- » PayU: Secure, tech-based banking services nationwide – convenience, personalisation, transparency, accessibility and ease of use.
- » PayU aim: Holistic financial services provider for India. Vision: Market-leading digital financial ecosystem in India with a strong value proposition to merchants, consumers and banks.

- » PayU connects consumers, merchants and banks:

**1** → **Merchants**  
**Integrated payments platform for merchants across categories**  
Processed >two billion transactions in FY22

**2** → **Consumers**  
**Digital banking and credit for the Indian mass market**  
In India, we have built an ecosystem around merchants with the PayU payments solution, around consumers with LazyPay and PaySense, and around banks with Wibmo

**3** → **Banks**  
**Offering payment infrastructure for financial institutions**  
Partnership with ~200 banks in India and expanding internationally

- » PayU first to launch BNPL product with LazyPay.

- » Compliant with new regulations: Customer protection and conduct, disclosure of key fact statement, customer education, product structuring, disclosures and processes.



# Food Delivery<sup>1</sup>

## Operational performance



### Key statistics

Free cash flow  
**-US\$141m**  
(FY22: -US\$277m)

Number of employees  
**5 210**

Capital expenditure  
**-US\$9m**  
(FY22: -US\$7m)

### Stakeholder material matters

**Employees:** Career development, business performance

### Drivers:

- Job opportunities
- » Looking after our drivers
- Skills development
- » Education

### Customers (restaurants):

- Converting consumers to online food delivery
- » Economic growth

### Consumers:

- Additional and affordable convenience, eg grocery delivery
- » The opportunity – user experience

### Strategic focus

- Expand the total addressable market while increasing profitability. We are applying the successful full-service (1p) model to other verticals:
- » Unlock addressable market by developing capabilities for adjacencies
- » Drive higher engagement
- » Ability to reinvest profits
- » Improve unit economics

### Risks

- » Differing pace of growth across geographies
- » Regulatory changes
- » Cyber-resilience

### Value drivers

- » Increase order frequency through loyalty
- » Expansion to mass market
- » Organically grow monthly unique buyers
- » Additional adjacencies (quick commerce, logistics services, fintech and etail)
- » AI and data science
- » Managing costs and delivering efficiencies

### Expanding the food opportunity

As economies of scale unfold, our Food Delivery portfolio companies delivered strong growth. Total gross merchandise value (GMV) grew 18% (27%) YoY, translating into US\$4.2bn or 40% (44%) growth in revenue<sup>2</sup>. This is over fivefold higher than revenue generated in FY20.

Given the growing importance of convenience in people's daily lives, the food-delivery opportunity is proving broader than envisaged. Grocery delivery offers an appealing consumer experience and is a natural adjacency to core restaurant food delivery. The group is currently exploring various 1p and 3p models to enhance the unit economics of these businesses. The segment's grocery-delivery and quick-commerce businesses grew GMV by 18% (14%). Our three main food-delivery portfolio companies, iFood, Delivery Hero and Swiggy, continue to capitalise on these trends by building grocery-delivery businesses on their existing platforms.

Two of our portfolio companies now run profitable core restaurant food-delivery businesses (iFood) or positive adjusted EBITDA (Delivery Hero, excluding Glovo). With an increased focus on profitability and scaling adjacencies, the segment's trading losses improved from US\$724m in FY22 to US\$649m in FY23. We are confident that our food-delivery businesses will be significantly profitable and continue to offer long-term growth. Underscoring this confidence, we recently took full control of iFood for €1.5bn (about US\$1.6bn) plus a contingent consideration of up to a maximum of €300m at a future date.

### The opportunity

We identified food delivery early as an attractive long-term investment for the group. Four key factors underpinned our confidence:

- » **Large total addressable market (TAM):** The revenue TAM for online food delivery is expected to double by 2026 (US\$95bn in 2021), while the category 'global restaurant and grocery' is projected to generate almost US\$320bn in revenue by 2026. The online food-delivery portion will continue expanding on the back of secular tailwinds, including rising smartphone penetration, urbanisation, growing disposable incomes, and the shift to outsourcing everyday services. In addition, establishing our presence in 'global restaurant and grocery' gives us a competitive advantage (consumers, data and logistics) that unlocks adjacencies (eg logistics services, fintech, etail and more).



Revenue<sup>2</sup>  
**US\$4.2bn**  
(2022: US\$3.0bn)

Trading loss<sup>2</sup>  
**US\$649m**  
(2022: US\$724m)

- » **Low online penetration with room for growth:** A tech-enabled paradigm shift is underway in dining habits, as more and more meals are delivered rather than home-cooked or consumed in restaurants.
- » **Compelling user behaviour:** Given high-frequency use patterns and the growing importance of convenience in daily lives, we have built strong relationships with consumers, knowing that the same consumer who orders restaurant delivery likely wants grocery delivery as well. At the same time, we have built great relationships with restaurants and merchants, enabling us to convert more consumers to online food and grocery delivery while serving the needs of restaurants and merchants more holistically through supply, fintech and logistics services.
- » **Hyperlocal operations:** While the online food-delivery market presents a massive opportunity globally, its form and pace of growth differ considerably across geographies. Regional markets develop at a locally dictated pace depending on cultural and structural differences as well as urbanisation dynamics that influence consumer demand. The impact and effects are hyperlocal and this fits Naspers' philosophy of partnering with local entrepreneurs who deeply understand their markets. Our exposure to growth markets also gives us underlying tailwinds, as population growth and economic momentum drive the sector.

### Building a global leader in food delivery

- A leading position in **57** markets
- Covering **>70** countries
- >US\$10bn** invested

Source: Company information – based on direct investments: Delivery Hero (56 markets), iFood (Brazil).

We are building a global leader in on-demand food delivery. We are present in more than 70 markets through three core platforms – iFood, Swiggy and Delivery Hero and several smaller investments in earlier-stage opportunities.

In November 2022, we bought out minority shareholders in iFood to make it a wholly owned subsidiary.

<sup>1</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals. For further explanation of the use of APMs, refer to about this report in the governance section.

<sup>2</sup> Presented on an economic-interest basis.

**iFood**

In FY23, Brazil's rising inflation and unemployment rates created a challenging macroeconomic environment for iFood, affecting consumer confidence and reducing discretionary spending on dining out and food delivery. iFood grew revenue 39% (35%) to BRL7.1bn (US\$1.4bn), driven largely by shifting consumers to larger average basket sizes, an increase in monthly unique buyers, changes in pricing and the growth of the quick-commerce/grocery-delivery business. iFood's orders increased 10% (7%) to over 832 million and GMV grew 27% (20%) to BRL48bn (US\$9.4bn). Trading loss reduced by US\$127m to US\$79m (on an economic-interest basis), as increased scale led to improved margins in the core restaurant food-delivery business that is now profitable, which were partially offset by investment in the grocery marketplace, quick-commerce and fintech extensions. During the year, iFood's trading loss margin improved by 15 percentage points.

**Three-year snapshot of growth: 2020 to 2023**

Trading loss reduced 68% to **US\$79m**

Total number of orders for Brazil **>832 million**

Average order value as of March up 44% to **BRL59**

The significant overlap between customers of restaurant delivery and grocery delivery, coupled with operational synergies across these businesses, make grocery delivery a natural fit for the iFood ecosystem. The iFood grocery business has quickly become an important participant in Brazil's significant US\$55bn grocery industry (2022 Euromonitor estimate). In FY23, iFood's grocery and quick-commerce businesses delivered over 43 million orders (+2% YoY) and BRL4.5bn (US\$0.9bn) of GMV, +18% (+14%) YoY. Investment to realise this opportunity recognises the broader context and higher cost of capital, and is disciplined with a focus for a clear path to profitability.

As the most-loved brand in Brazil, iFood also keenly understands the importance of earning its so-called licence to operate in the local social context. Aligned to its purpose to feed the future of the world, key initiatives underpinning the iFood approach are summarised alongside.

**Playing an essential part in Brazilians' everyday lives**

iFood wants to play an increasingly essential part in Brazilians' daily lives. To do so, in FY23, it focused on strengthening its ecosystem and increasing sustainability in education and the environment. **Specific initiatives are summarised in the sustainability review.**



More than **1 500** Brazilian cities covered

Around **75 million** orders in March 2023, including restaurant and grocery

**36%** own-delivery orders

**>330 000** merchant partners

**10%** iFood order growth

**27 million** 1p (logistics) business orders in March 2023

**Strengthening the iFood ecosystem**

iFood continued adding new solutions and strengthening its ecosystem throughout FY23. Leveraging its existing and valuable assets, and layered in technology, it is possible to shorten the path to profitability of new businesses. Beyond scaling and consolidating its grocery-delivery and quick-commerce businesses, iFood is building a fintech environment around its platform to expand its ecosystem, including meal vouchers and credit for restaurant partners.

- » Scaling grocery delivery and quick commerce: By year-end, iFood Brazil delivered over 43 million grocery orders from over 29 000 stores across nearly 900 cities, representing order growth of 2% YoY.
- » New financial service offerings gained traction:
  - iFood processed BRL872m of online payment revenue, while MovablePay processed 27% of iFood's payouts.
  - Bank for restaurants (loans, credit card, insurance): Over BRL355m in assets under management, and more than 3 700 loans issued.
  - Meal vouchers and multibenefit cards: Over 630 000 cards issued covering more than 4 000 companies.

**Swiggy<sup>3</sup>**

Following a complete recovery post the initial impact of Covid-19 in 2020, Swiggy's core restaurant food-delivery business grew 26% in GMV<sup>4</sup> YoY in FY23. Its quick-commerce business, Instamart, continued to expand fast, generating GMV growth of 459% YoY. In FY23, Swiggy also focused on its profitability journey, which is reflected in its financial performance.

In the past two reporting periods, Swiggy has concentrated on reactivating users, increasing monthly frequency and improving user conversion. The benefits are evident in its results for FY23, with over 272 000 enabled restaurants on its platform, 155% of pre-Covid-19 levels, and GMV of US\$2.6bn.

Our share of Swiggy's revenue was US\$297m (FY22: US\$212m), up 40% (73%) from the prior year, driven by higher average order values and higher revenues from delivery fees and advertising sales. Swiggy is expanding its Instamart business, which doubled the number of enabled stores on its platform in 2022. This resulted in accelerated growth in the groceries business, coupled with continued growth in the restaurant food-delivery business.

Swiggy is currently engaged in restaurant food-delivery, quick-commerce, concierge services (Genie) and other convenience offerings, serviced through its network of around 374 000 delivery partners. In FY23, the company expanded into the dining-out space by acquiring Dineout, a leading dining and restaurant tech solutions platform in India, enhancing its portfolio of consumer convenience offerings. Swiggy has also launched an innovative subscription programme, Swiggy One, a multicategory loyalty programme across its restaurant food-delivery, quick-commerce, Dineout and concierge services.

Swiggy is well funded to capitalise on recent momentum and well positioned to improve its platform's competitiveness by investing in product and technology.

**Delivery Hero**

As anticipated, Delivery Hero's platform business (excluding Glovo) generated positive adjusted EBITDA in 2022. This continues the trend of strong YoY growth, organic investment in quick commerce and pursuing value-accretive M&A opportunities. For the year to 31 December 2022, Delivery Hero reported GMV of €44.6bn with 18% YoY growth.

Our share of Delivery Hero's revenues and trading losses was US\$2.4bn (2022: US\$1.8bn) and US\$267m (2022: US\$343m) respectively.

<sup>3</sup> All metrics to 31 December 2022, with a three-month lag in reporting basis.  
<sup>4</sup> GMV includes delivery fees.

By end-December 2022, Delivery Hero operated over 1 137 Dmart stores (small Delivery Hero-owned warehouses in strategically relevant locations for quick-commerce delivery), catering to evolving customer needs with an increased focus on convenience and speed of delivery. The success of the Dmart concept among customers is reflected in seven best-in-class countries already being at breakeven at the beginning of 2022.

**Looking forward**

iFood, Swiggy and Delivery Hero – our core food-delivery assets – are leading businesses in their regions with plenty of room to grow, both in scale and in the breadth and depth of their ecosystems. We will continue to invest organically, while remaining focused on profitability, to improve the core restaurant food-delivery offering and expand the total opportunity by building scaled capabilities in quick commerce and grocery, and additional adjacencies in the food-delivery ecosystem.

We aim to play an ever-increasing part in leading the food-delivery revolution for consumers, restaurants and delivery partners around the world.

# Classifieds<sup>1</sup>

## Operational performance



### Key statistics

Free cash flow  
**-US\$314m**  
(FY22: -US\$360m)

Number of employees  
**4 500**

Capital expenditure  
**-US\$24m**  
(FY22: -US\$25m)

### Stakeholder material matters

**Employees:** Job security, career development, and competitive benefits

**Customers:** Trust, safety and convenience

### Strategic focus

- » Accelerate profitability to reach best-in-class industry margins
- » Leveraging services to capture monetisation upsides
- » Scaling pay-and-ship capabilities to enhance and expand goods category
- » Differentiating through category-specific user experience and services
- » Enabling faster innovation through technology and data

### Risks

- » Macroeconomic trends in key markets
- » Rising inflation, higher interest rates affecting consumers' disposable income – these particularly affect real estate and cars, but present an opportunity for used goods

### Value drivers

- » Faster execution due to improvements in platforms and added services
- » Growing monetisation of pay-and-ship

### Profitable growth and scaling new capabilities

#### Intensifying strategic focus

The OLX vision is to build leading marketplace ecosystems, enabled by tech, powered by trust, and loved by customers. By going beyond the traditional classifieds-ads model, OLX is supporting end-to-end-user journeys, and scaling businesses that leverage each other's assets and strengths.

Operating metrics across our core Classifieds business<sup>3</sup> remained stable, with 73 million active listings (FY22: 73 million), 45 million monthly active app users (FY22: 44 million) and 1.8 million paying listers (FY22: 1.8 million), despite a challenging year given the war in Ukraine, a shift in financial markets and a pronounced slowdown of the used-car market. OLX responded fast by intensifying its focus on customers and executing key projects for long-term value creation, while investing to improve efficiencies. The core classifieds business in OLX is profitable, cash flow positive and fast-growing.

Naspers divested its Russian online marketplace, Avito in October 2022 for proceeds of US\$2.4bn.

More recently, OLX Autos, our adjacent autos transaction business, was affected by ongoing macroeconomic and market challenges, similar to listed peers. Higher cost of capital, high inflation and the reversal of pandemic trends led to a significant and persistent slowdown in the second-hand car market.

Accordingly, in March 2023, we announced the decision to exit the autos transaction business. We continue to explore strategic options, such as selling all or parts of the portfolio.

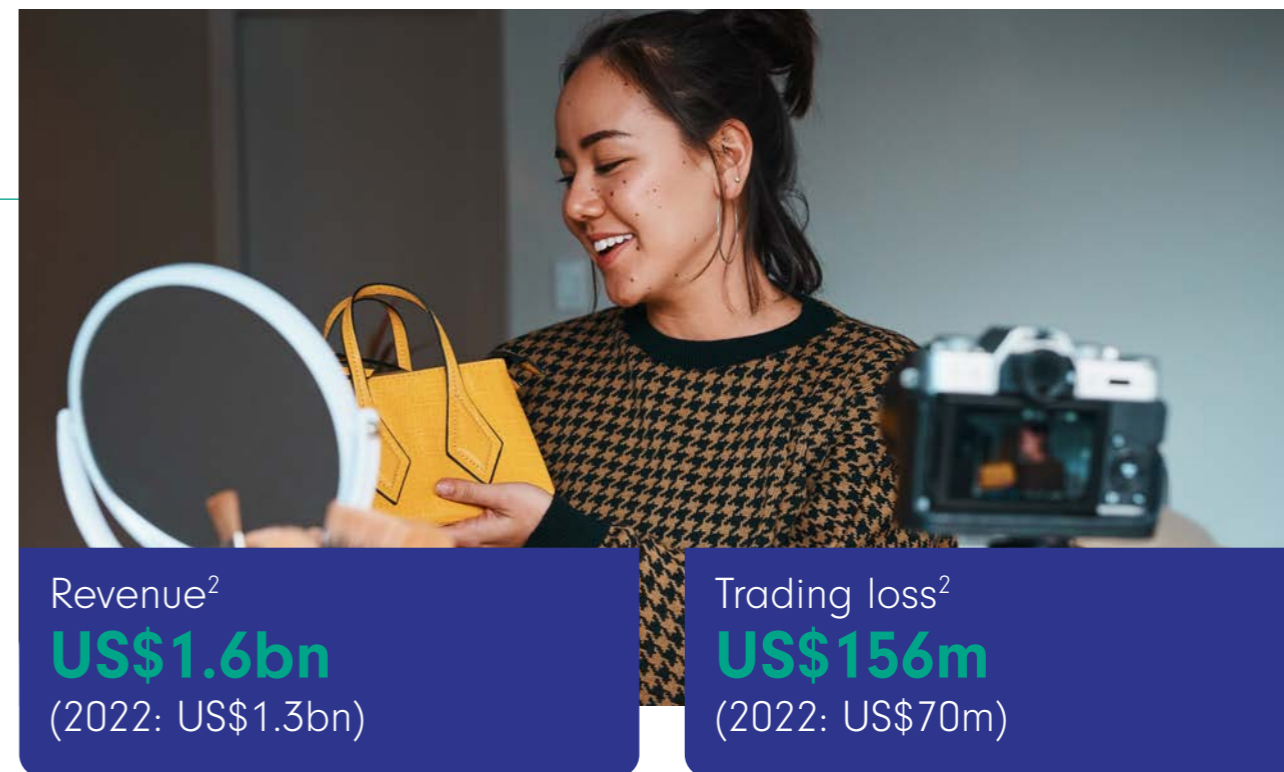
The operations of this business classified as held for sale and those that have been closed down by 31 March 2023 are presented as discontinued operations. The OLX Autos operations still included in continuing operations are those whose exit process has not been finalised by 31 March 2023. These are expected to be discontinued in FY24 as the group works through the process quickly and efficiently in the interests of all stakeholders.

While OLX Autos has built leading positions across many of its key markets, given its strong technology platforms and local focus, pursuing a global growth strategy is no longer the right approach for our shareholders.

#### Our core Classifieds business

The core classifieds business of OLX Group continued to deliver a strong performance in the financial year, with sustained growth and improved profitability. It is well placed for further growth and margin expansion.

Excluding the impact of the war in Ukraine, OLX Europe continued to deliver strong progress in FY23, recording 22% revenue growth on an economic-interest basis, and in local currency, excluding M&A. Trading profit grew by US\$38m to US\$83m on an economic-interest basis, representing a margin improvement of 3% compared with last year.



Revenue<sup>2</sup>  
**US\$1.6bn**  
(2022: US\$1.3bn)

Trading loss<sup>2</sup>  
**US\$156m**  
(2022: US\$70m)

In the goods category, enhanced competitiveness improved performance, and our pay-and-ship service increased buyer adoption significantly while improving monetisation and the trading profit margin. In the jobs category, the launch of a candidate section and applicant-tracking system increased user engagement and monetisation in Poland.

In European autos, we increased revenue per insertion and number of monthly listers. We are also improving the car-parts user experience, leading to growth in insertions and listings on our dedicated autos platform in Poland.

In real estate, our redesigned commercial offering encouraged more professional sellers to select our bundled and value-added services. The teams also developed an innovative data-as-a-service product – a suite of ML-enabled analytical tools for professional sellers. Average revenues per insertion grew, reflecting the appeal of the new commercial offering and new product features.

Trust and safety remain critical. A series of product improvements led to 835 000 fewer malicious views, and a reduction of around 9% bad ads per month. We have also made significant progress in becoming compliant with the Digital Services Act that will become effective in Europe in February 2024. The aim of this act is to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses.

Given prevailing macroeconomic conditions, we reduced our workforce by 15% in January 2023, creating a leaner organisation that can better compete in the global tech market. These measures stabilise our positioning for the future while accelerating our path to profitability as OLX Group.

#### Continuing to rebuild our Ukrainian business

The ongoing war in Ukraine is having a massive impact on its society and economy, including high inflation, currency devaluation, and a contraction of the economy. Despite this, our Ukrainian platforms and teams have demonstrated exceptional

resilience. After an initial drop in all metrics in the early months of the war, the platform is recovering, with daily active users back to 94% of pre-war levels.

#### Looking forward

Our focus for FY24 and beyond is to continue evolving as a leading classifieds player, enabling platform transactions and category-specific shopping experiences by executing a well-defined strategy:

- » **Accelerating profitability** to reach best-in-class industry margins: We have streamlined our portfolio to focus on core Classifieds, restructured our workforce and grew advertising revenue to drive higher margins.
- » Leveraging our services to capture **monetisation upsides**: We have invested in building and enhancing the products and services we offer to our customers in our key markets and categories. We will continue to monetise the increasing value we are delivering to our customers.
- » **Scaling pay-and-ship** capabilities to defend and expand goods category: We continue to transform from a traditional classifieds model into a transactional marketplace, with best-in-class experiences focused on safety and convenience. In FY23, we scaled pay-and-ship across our key markets and we are improving its economics.
- » Differentiating through **category-specific user experience and services**: Jobs and services have organically become sizable categories. We are adding value for our users by building more category-specific user experiences and services.
- » Enabling **faster innovation** through technology and data: In coming years, we will continue to unify our products across categories to accelerate time to market, compete effectively and reduce the cost of technology.

<sup>1</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated.

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<sup>2</sup> Presented on an economic-interest basis.

<sup>3</sup> Excluding OLX Autos markets.

# Payments and Fintech<sup>1</sup>

## Operational performance



### Key statistics

Free cash flow  
**US\$29m**  
(FY22: -US\$66m)

Capital expenditure  
**-US\$7m**  
(FY22: -US\$10m)

Number of employees  
**3 447**

### Stakeholder material matters

**Employees:** Job security, career development and competitive benefits

**Consumers:** Trust and security

### Strategic focus

- » Supporting India's growth: Building a financial ecosystem around merchants, consumers and banks by accelerating the payments and credit offering
- » Focus on profitable growth in core payments and credit

### Risks

- » Macroeconomic pressure, with rising inflation and interest rates
- » Increasing volume and complexity of regulatory requirement
- » Cybersecurity
- » Counterparty risks (increased credit portfolio)
- » Fraud over the platforms

### Value drivers

- » Presence in high-growth payments markets
- » Diversifying revenue base in payments
- » Scaling consumer credit with a strong governance and risk management
- » Managing costs

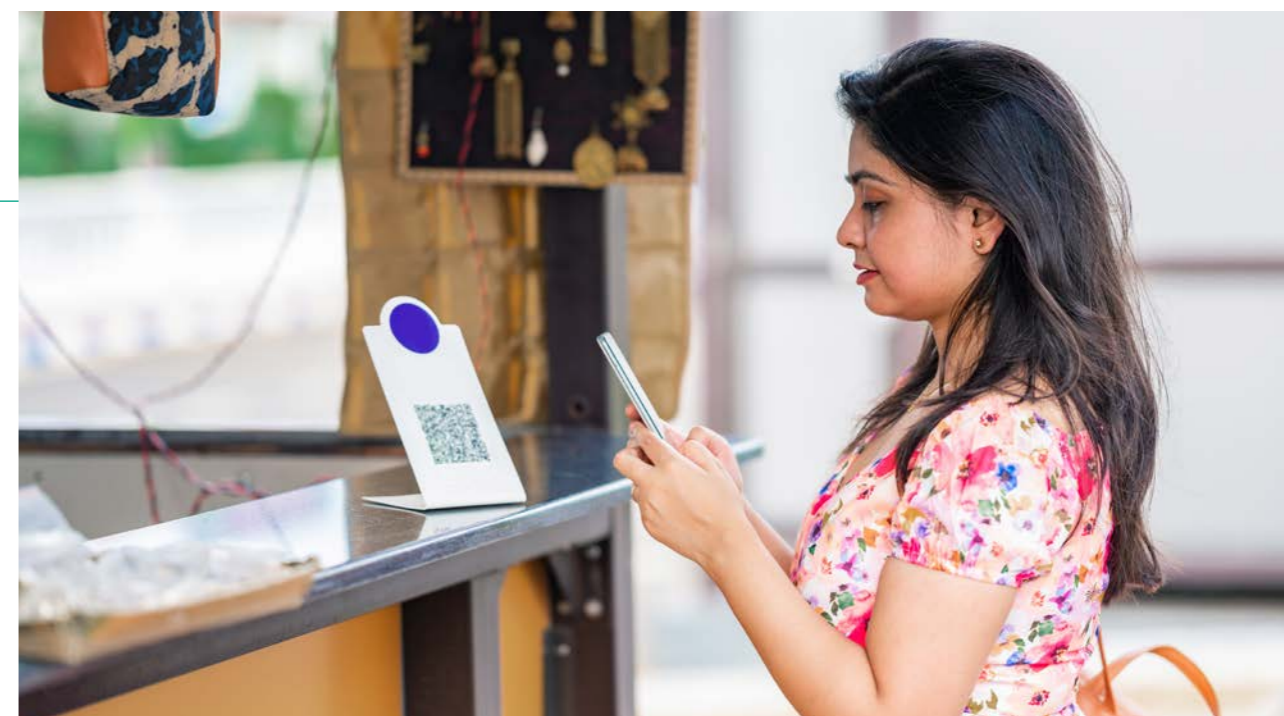
### Scaling credit in India

The Payments and Fintech segment continued to benefit from the shift to digital payments. On a consolidated basis, the core PSP business and credit drove PayU's revenue growth of 32% (52%) to US\$903m. The trading loss, on an economic-interest basis, was US\$83m (FY22: US\$46m), at a negative margin of 9% (FY22: -7%) due to a once-off loss provision of US\$23m. Excluding this provision, the PSP business remained profitable.

The core PSP business delivered revenue growth of 23% (43%) to US\$790m, driven by transactions and total payments volume (TPV) growing 19% and 24% (39%) to 2.7 billion and US\$98bn respectively. While both India and Global Payments Operations (GPO) grew revenue solidly, the core PSP business reported a trading loss of US\$2m, mainly due to GPO's once-off loss provision. Excluding this loss provision, the core PSP business generated a 3% trading margin, down from 4% in FY22, as GPO incurred higher merchant acquisition costs and invested in building new products.

India's TPV grew 33% (44%) to US\$58bn, driven by transactions growth of 25% to 1.4 billion. India is the largest market in our payments business and contributed 51% of the core PSP business' revenues, up from 47% in FY22. India generated US\$399m of revenue, which grew 31% (42%), driven by continued growth in enterprise and small and medium-sized businesses, and diversification into newer segments, including government merchants, omnichannel, and other non-MDR (merchant discount rate) products. Revenue growth and cost-saving initiatives led to a 78 basis point improvement in trading profit margin to 3%.

Currency translation impacted the GPO business, especially Turkey where hyperinflation continued. The GPO business grew transactions and TPV by 12% and 13% (32%) to 1.2 billion and US\$39bn respectively, which drove revenue growth of 15% (44%) to US\$393m. Growth of global merchants, especially in Turkey, was the main driver. Turkey, one of the largest markets in GPO, contributed 22% of GPO's revenues, and grew 52% in US\$ terms (154%). Increases in instalment sales and customer mix led to an improvement in take rate in Turkey. Higher merchant acquisition costs drove GPO's gross profit margin lower. GPO has taken efforts to offset this increase through cost-optimisation efforts, including headcount rationalisation, the benefits of which will come through in the next financial year. PayU's Indian credit business continued to scale, issuing



Revenue<sup>2</sup>  
**US\$1.1bn**  
(2022: US\$796m)

Trading loss<sup>2</sup>  
**US\$116m**  
(2022: US\$60m)

US\$742m in loans, which grew 47% and led to a loan book of US\$256m at 31 March 2023. The core credit business grew revenue three times (three times) to US\$83m, driven largely by growth in personal loans. The trading loss of US\$10m represents a 63 percentage point improvement in margin to -12%, reflecting an improved loss rate of 2.5% from 3% in FY22. As a result of its closure, the India credit metrics exclude LazyCard.

The largest Payments and Fintech investment in our associate portfolio, Remitly, grew its send volumes 40% to US\$29bn in the year ended 31 December 2022. Our share of Remitly's revenue and trading loss reported was US\$147m, up 35% (43%), and US\$27m, representing a negative margin of 18%.

### The opportunity

Payments and Fintech is one of the fastest-growing segments worldwide, accelerated by the move online due to the pandemic.

We identified three key trends in Payments and Fintech, which all play to our strengths:

- » Continued acceleration of digital payments, especially in India and Turkey.
- » Continued strong demand for credit in India.
- » Slowing funding for start-up ecosystems.

India is our largest market and the country recorded an increase of 58% YoY<sup>3</sup> in total number of retail digital transactions in FY23, while payment volume rose 28%. The digital payments industry is forecast to grow at 28% between 2021 and 2026<sup>4</sup>.

The credit growth outlook remains positive, with consumer credit poised to grow at 13%<sup>5</sup> CAGR to FY26, partially due to growth in fintech lending, which is expected to account for 6% of total consumer credit by FY26 (estimated) (growth at >50% CAGR).

<sup>1</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated.

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<sup>2</sup> Presented on an economic-interest basis.

<sup>3</sup> Source: RBI Payment system indicators. Retail transactions, excluding cheque-based. As of March 2023.

<sup>4</sup> Source: RBI and NPCI data, BCG and PhonePe analysis.

<sup>5</sup> Sources: RBI; Ministry of MSME India; Accord; CRIF; Market participant interviews; Bain analysis.

**Strategic priorities**

**Supporting India's growth**

In India, we have built an ecosystem around merchants with the PayU payments solution, around consumers with LazyPay and PaySense, and around banks with Wibmo.

For merchants, PayU has built a diversified product suite offering value-added services beyond core payments for the different merchant segments. In FY23, we processed over US\$58bn in total payments volume, up 33% (44%) on last year. Revenue from value-added services increased from 32% last year to 36% this year. PayU has been scaling partnerships with

banks and other financial institutions through Wibmo. Wibmo was acquired in 2019 and has strengthened the PayU platform for both banks and merchants by providing payment authentication, merchant acquiring and risk management services.

For consumers, PayU offers solutions for transactional credit to facilitate online commerce and cross-sells personal loans, successfully scaling the loan book. In FY23, originations expanded 47% and assets under management increased by 112% over last year. This scale has been achieved on the back of effective capital and risk management.

India remains a highly attractive strategic market for PayU, given that it is expected to become the third-largest economy by nominal GDP within the next decade.

**Focus on profitable growth in core payments and credit**

In the past five years, total payment volume has increased approximately four times (five times), growing at a CAGR of 31% (39%). The business processed US\$98bn in payments volume in FY23. It has continued investing and building new opportunities such as credit in India. The credit business revenue has grown nine times since FY21, translating into a revenue CAGR of over 200%. This growth has been coupled with cost reductions, ensuring that the trading-loss margin continued to improve YoY and will deliver profitability in the coming year.

**Removing financial borders and enabling broader access**

As one of the world's top investors and a leader in payments and fintech in high-growth markets, we contribute to a more inclusive future for finance. By building customer-centric products and services, we enable sustainable prosperity in our markets and communities and broaden access to finance. This includes equipping merchants and their customers with the latest payments solutions.

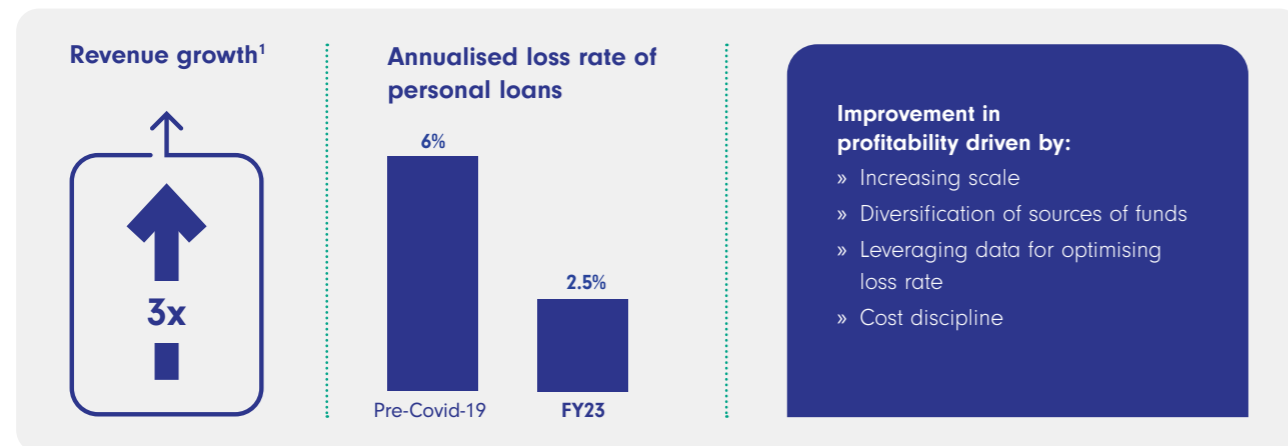
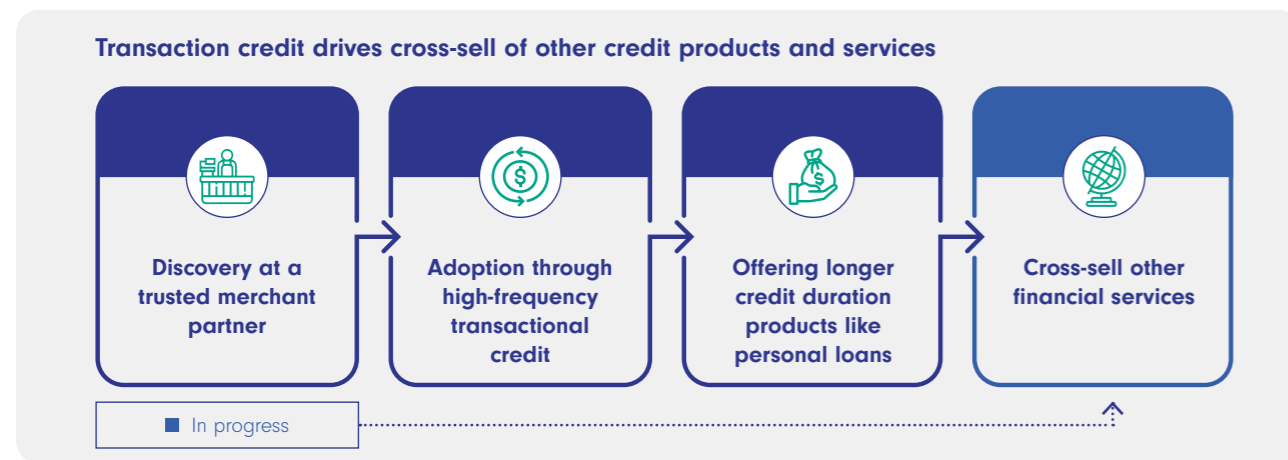
**Looking forward**

We will continue to scale our fintech ecosystem across merchants, consumers and banks.

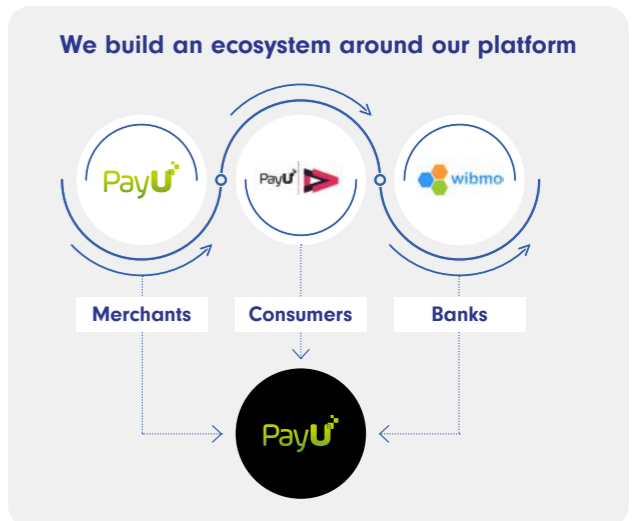
We are present in high-growth markets and we will continue to double down on India. India is forecast to record strong growth in both payments and credit, and PayU is well placed to benefit from this growth by maintaining its market position and improving profitability.

Sustainability is a key element of our positioning as a fintech leader in high-growth markets. Our ESG transformation roadmap is guided by our aspirational target to enable expanding circles of positive impact around PayU. While we have focused on the inner impact circles in FY23, we are building momentum to drive broader societal impact in the new year and beyond.

The future for Payments and Fintech is to become ever-more empowering, inclusive and sustainable, to build a world without financial borders where everybody can prosper.



1 Presented on an economic-interest basis.





### Workforce/higher education:



### K-12 education:



#### Key statistics

Free cash flow  
**-US\$132m**  
(FY22: -US\$28m)

Number of employees  
**859**

Capital expenditure  
**-US\$24m**  
(FY22: -US\$3m)

#### Stakeholder material matters

**Employees:** Talent retention. Employee wellbeing. Company culture

**Regulators:** Timeous reporting

**Investee/portfolio companies and associates<sup>3</sup>:** ESG. Business performance. Efficient growth

**Workers, learners, educators:** Data privacy. Community development

#### Strategic focus

- » Workforce/higher education models
- » K-12 education

#### Risks

- » Macroeconomic downturn and higher interest rates
- » New forms of competition for existing edtech providers
- » Disruption from enhancements and increased availability of GenAI
- » Limitations in software development, research and product capabilities

#### Value drivers

- » Demand for continuous learning and higher levels of education
- » Demand for faster upskilling
- » Constraints facing traditional brick-and-mortar education systems

### Transforming education through technology

Edtech is a more nascent opportunity that is still building products and services to deliver an increasing need.

The segment grew revenue (on an economic-interest basis) by 28% (18%) to US\$545m in FY23<sup>4</sup>. Trading losses increased to US\$258m from US\$117m in the prior year.

Our portfolio was affected by the macroeconomic downturn which culminated in an environment where customers are focused on reducing costs. Portfolio companies reacted fast to changing market conditions and began to optimise cost structures and postpone accelerated investments.

Education remains a significant and high-potential sector, with compelling secular tailwinds such as emerging-market population growth, improving education levels worldwide, and workforce reskilling/upskilling on the back of digital economy transformation trends.

We identified the potential of edtech seven years ago (before the sector started gaining widespread popularity), investing in consumer-facing platforms like Udemy and Brainly that mirrored marketplace and social businesses we knew well. This enabled us to learn more about different business models and edtech platform economics to capitalise on the sector once companies started to scale.

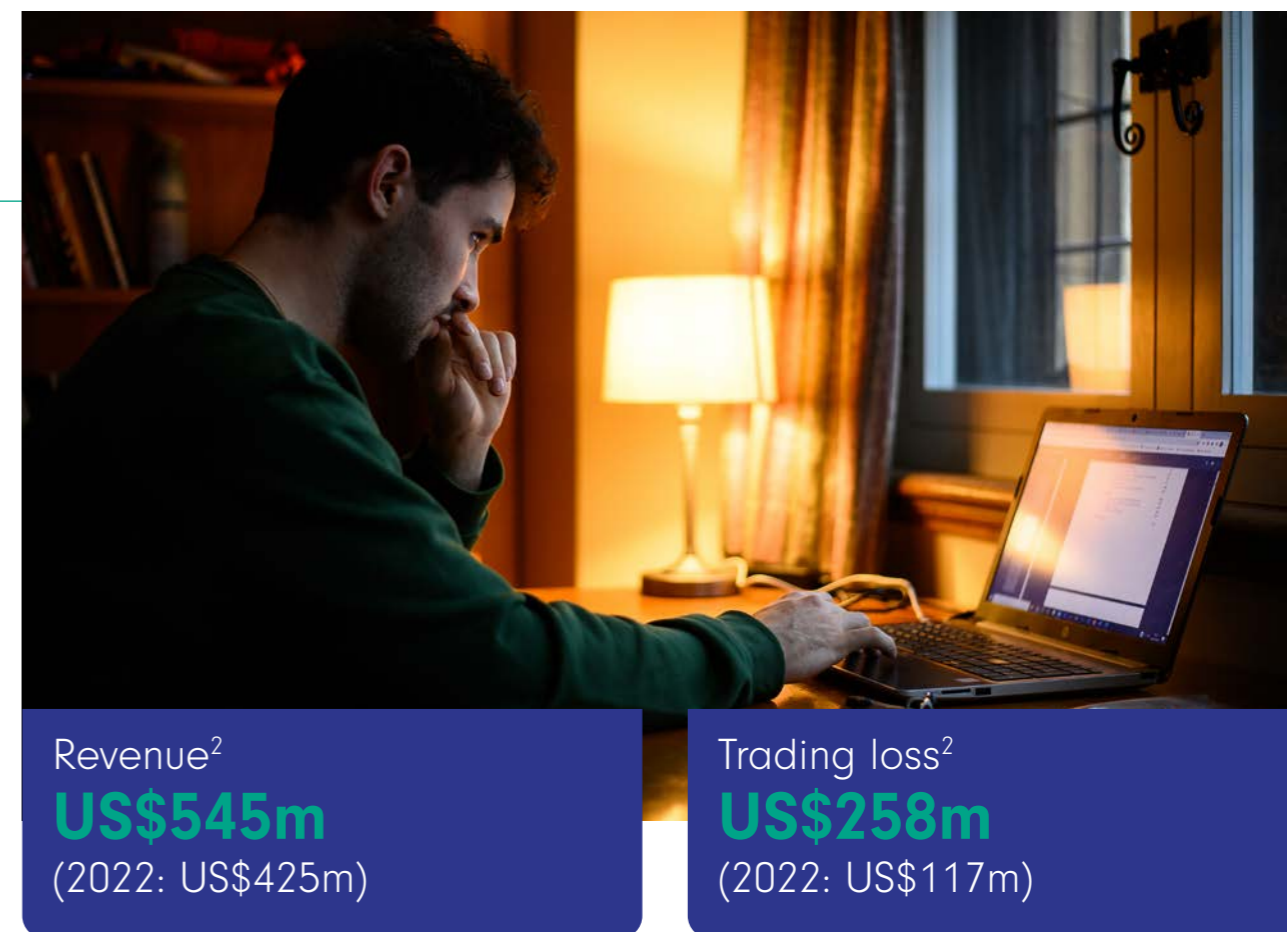
Over the years, we have increased our conviction in the sector, acquiring Stack Overflow, and investing in Skillsoft, GoodHabitiz, GoStudent, Eruditus and others (with a focus on workplace and higher education).

#### The opportunity

The education opportunity remains massive post pandemic, due to increasing demand for continuous learning and higher levels of education that traditional systems will not be able to fulfil as the global population grows. Between 2020 and 2050, there are expected to be 1.6 billion<sup>5</sup> new learners due to population growth, increased education levels worldwide and the need for ever-faster upskilling.

Traditional brick-and-mortar education systems face several challenges, including spiralling costs, geographic constraints that hamper access to education, uneven quality of education staff and content, and rigid systems that cannot be personalised and customised.

These issues are especially pronounced in developing countries. Across Asia and Africa<sup>6</sup>, an additional 1.4 billion learners are projected by 2050. Economics and demographics alone mean the physical institutions and education products from the West cannot reasonably be scaled to serve global needs.



Revenue<sup>2</sup>  
**US\$545m**  
(2022: US\$425m)

Trading loss<sup>2</sup>  
**US\$258m**  
(2022: US\$117m)

At the same time, the skills gap is growing, with the greatest talent shortage in technology. As digital disrupts traditional industries, the impetus for reskilling has never been higher. On the positive side, digital career paths open opportunities, and online learning is a truly effective way to level playing fields.

In response to these demands, the sector has to change. Technology has the potential to address these issues by democratising, digitising, curating and personalising education. We are still in the early days of an offline-to-online shift. Global online penetration for education was only around 3% in 2019, but had doubled to 6% by 2022<sup>7</sup>.

The broader education sector is projected to be a US\$7.4tn global opportunity by 2025. Within that, the global edtech market is forecast to grow at 16% per year to some US\$404bn by 2025. We have identified much room for further growth as the sector is transformed by technology.

#### Taking another big step forward

In FY22, Naspers invested more in edtech than in all previous years combined. To date, we have invested over US\$3.8bn in 12 businesses to become one of the leading edtech investors globally.

In FY23, we continued to focus on workplace/higher education models as the different sectors have developed, and as we identified key competitive advantages in their economic models. Companies can play a massive role in creating a global culture of upskilling to address the talent shortage and demand for increased skills. This sector is therefore attractive for several reasons, including strong demand as companies reskill/upskill, high margins and predictability due to multiyear contracts.

<sup>7</sup> Source: HolonIQ.

» Across **workplace edtech**, an evolution is also underway. From the early days of transactional once-off purchases, new learning platforms are forcing a tipping point of recurring learning and subscription-based monetisation as companies understand the importance of continuous/lifelong development to improve performance and meet employees' expectations.

We have built a significant presence in enterprise education, focused on the future of workplace learning. We reach more than 90% of Fortune 100 companies across our workplace-learning companies, including Stack Overflow, Skillsoft, GoodHabitiz, Udemy, Platzi and EduMe. People look for lifelong learning and their job satisfaction depends on the skills, experiences and knowledge they gain. So, workplace learning is growing in importance and value, with revenue opportunities to match.

» Our second priority is **K-12** (kindergarten to grade 12) education. With the increasing accessibility and affordability of technology, edtech is playing a larger role - inside and outside the classroom. Edtech tools, such as learning management systems and educational software, are providing personalised and interactive learning experiences for students, leading to increased engagement and improved academic outcomes. Additionally, edtech is helping to bridge the digital divide by giving students access to resources and learning opportunities that may not otherwise have been available. Another trend evident across our K-12 portfolio is integration of the online and offline environments to improve students' learning experiences.

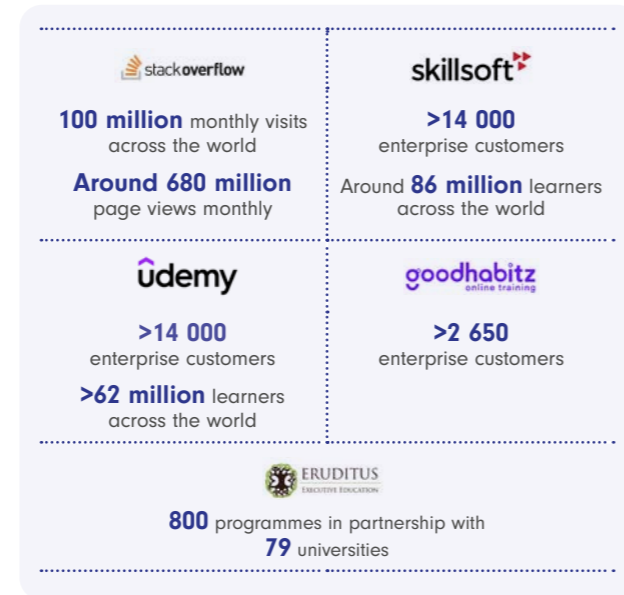
<sup>1</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals. For further explanation of the use of APMs, refer to about this report in the governance section.  
<sup>2</sup> Presented on an economic-interest basis.  
<sup>3</sup> Associates: Naspers or Prosus holds 10% to 50% with a board seat, meaning it has significant influence.  
<sup>4</sup> Excluding BYJU'S and Udemy for which we stopped equity accounting in September 2022.  
<sup>5</sup> Source: Global Projection, Medium SSP2 - IIASA.  
<sup>6</sup> Source: Wittgenstein Centre for Demography and Global Human Capital (2018).

- We have built a strong presence in K-12, with Brainly now reaching around 250 million users a month, GoStudent serving customers in 23 countries, and BYJU'S quickly expanding its offerings. Our aim is clear - we want to be part of the foundational edtech of future generations.
- » While generative AI (GenAI) platforms may present competitive risk for some edtech companies, we believe the technology is a massive opportunity for transforming education and could be a real step-change for the sector. There are several opportunities for edtech platforms to leverage GenAI technology, including: highly personalised learning: customised content based on individual needs by analysing data and learning patterns to generate lessons, tests and materials that adapt to each learner's level, style and pace.
  - » Content creation: Automated generation of multimedia materials, including video, written or voice lessons, infographics, testing materials and more.
  - » Assessment and feedback: Automated evaluation of a learner's work and the ability to provide instant feedback, expediting the learning process.
  - » Virtual mentors: Simulated virtual mentors that interact with learners, answering questions, providing explanations, and guiding learners through materials, creating a more personalised and immersive learning experience.

Many of our edtech companies, some in partnership with the Naspers AI team, have already launched or are soon deploying GenAI technologies on their platforms to enhance the learning experience for their users. For Stack Overflow specifically, we believe GenAI will be an important evolution in how developers will work and learn in the future, enabling them to be more efficient and better able to maintain their flow state. The developer community can play a crucial role in how AI accelerates, ultimately helping with the quality emerging from GenAI offerings. Stack Overflow's role is harnessing the power of the developer community to the technological power of AI, all to generate highly trusted solutions to technology problems. Stack Overflow has devoted around 10% of the company's workforce to catalyse around the development of its AI initiatives. It plans to officially announce its data monetisation plans and specific GenAI initiatives in the coming months.

In terms of cyber-resilience, our controlled assets are strengthening their capabilities by implementing new technology (such as a ransomware-resilience solution) and adding talent to their IT teams. The Naspers group support team assisted portfolio companies with IT risk assessments, ethical hacking projects, and business continuity initiatives.

**Focusing on workplace learning**



**Stack Overflow**

Naspers, through Prosus acquired Stack Overflow in FY22 for US\$1.7bn. Since then, it has grown total bookings by 37% and annual recurring revenue nearly threefold.

Stack Overflow, one of the top 200 websites in the world, has built a global, highly engaged developer and technologist community over the past 14 years and now registers around 680 million page views monthly.

Since acquisition, the business has contributed revenue and trading losses of US\$94m and US\$84m respectively, driven by growth in Stack Overflow for Teams, which enables organisations to build their own communities on top of the open platform. By March 2023, Stack Overflow for Teams had over 950 paying teams, generating annual recurring revenue of US\$55m, and representing growth of 29% YoY.

Trading losses for the year increased, reflecting higher investment in engineering and product development initiatives, sales headcount and marketing programme expenses, and general and administrative costs associated with growing the business.

As at 31 March 2023, an impairment of US\$560m was recognised on Stack Overflow. The prior-year impairment related to Stack Overflow as a result of increased discount rates in the value in use calculation for this investment.

**GoodHabitiz**

In FY22, we invested US\$258m for a 62% interest in GoodHabitiz, a fast-growing European provider of online training for corporates and small and medium-sized enterprises.

GoodHabitiz offers over 1 750 courses in over 13 languages to more than 2 650 enterprise customers. It continues to expand beyond its home market of the Netherlands, and is now operational in 13 European countries.

For the year, GoodHabitiz contributed revenue of US\$40m and a trading loss of US\$16m to segment results, reflecting its

investment to scale. GoodHabitiz is focused on strengthening its European position via existing and new countries. In addition, there are investments in new countries outside Europe, focusing on Latin America, India and Australia. The business is now concentrating on revenue growth and operational scalability to become profitable.

**Skillsoft**

In FY22, we invested US\$500m for 38% of Skillsoft, a global leader in digital workplace learning that listed on the New York Stock Exchange in mid-2021 (SKIL.N). In April 2022, Skillsoft acquired Codecademy, already an investment in our Edtech portfolio, to accelerate growth for both companies and strengthen technology and product development to drive incremental topline growth and value creation.

For the year to 31 January 2023, Skillsoft declined bookings 6% and revenue by 4%. Its larger core content segment grew pro forma bookings by 5% and pro forma revenue by 5%. Its client base is centred on large, blue-chip enterprises, representing over 70% of Fortune 1000 companies and its services are used by almost 45 million learners globally across more than 160 countries.

As at 31 March 2023, Skillsoft was impaired to its market value due to the significant decline in share price over time.

More information on Skillsoft is available at <https://investor.skillsoft.com>.

**Udemy**

We first invested in Udemy in 2016. It listed on the Nasdaq Stock Market (UDMY) in October 2021.

Udemy is a global education marketplace for lifelong learners that gives over 59 million learners access to more than 200 000 courses in 75 languages. The platform offers courses that can be accessed through the direct-to-consumer or Udemy Business offering, which had over 14 000 enterprise customers at 31 December 2022.

For its year ended 31 December 2022, Udemy reported strong revenue growth of 22% to US\$629m with consumer revenue totalling US\$315m, down 4%, and Udemy Business revenue reaching US\$314m, up 68% on the prior year. Udemy Business contributed 50% to total revenue in the past 12 months compared with 36% a year ago. Following the loss of significant influence, the group stopped equity accounting for Udemy from September 2022.

More information on Udemy is available at <https://investors.udemy.com>.

**Eruditus**

Eruditus provides executive education and short, private, online courses globally, partnering with the world's leading universities. The company makes high-quality education more accessible by offering over 800 programmes in partnership with 79 universities to a global audience covering the US, Latin America, Asia, the MENA region and Europe. We have invested US\$187m in Eruditus since October 2020, with a current stake of 13%.

**Platzi**

Platzi is a coding platform for training (in Spanish and Portuguese) in tech skills, interpersonal skills and language

training. It also hosts a vibrant community where learners network with peers who help them secure their next job or build a business with their new skills. Platzi has a content library of over 1 500 courses ranging from coding, web design and marketing to English. We invested US\$50m in Platzi in late 2021 and our current stake is 19%.

**eduMe**

eduMe is a mobile-based training platform for the deskless workforce, used by companies in over 60 countries worldwide to give their workforces seamless access to relevant knowledge. We invested US\$12m in eduMe and our current stake is 13%.

**SoloLearn**

SoloLearn is an online learning platform for coding where over 60 million coders learn, create and share programming content with their peers. We have invested US\$8m since 2018, with a current stake of 18%.

**Focusing on K-12**

**Brainly**

Brainly is one of the world's leading social-learning platforms, serving around 350 million students, parents and teachers across the world. Students use Brainly to strengthen their skills in core subjects such as maths, history, science and social studies. The platform allows them to connect with their peers, subject-matter experts and professional educators to discuss subjects and seek answers to tricky questions. We first invested in Brainly in April 2016 and, to date, we have invested US\$77m with a current stake of 42%.

**GoStudent**

GoStudent is an online tutoring provider. Founded in 2016, GoStudent serves customers in more than 20 countries, providing paid, one-on-one, video-based tutoring to primary, secondary and college-aged students in over 30 subjects. In March 2022, we invested US\$226m in GoStudent for an 8% stake.

**BYJU'S**

BYJU'S is a leader in personalised learning programmes for students in India and beyond, targeting students from kindergarten to grade 12 as well as those taking competitive exams.

We have invested US\$536m in BYJU'S since 2018 and hold less than a 10% stake. The group lost significant influence in BYJU'S and stopped equity accounting for BYJU'S from September 2022.

**Looking forward**

We will continue to play an active role in helping our portfolio businesses grow and innovate so that more people around the world can enjoy the benefits of tech-enabled learning. We will also look for additional opportunities to expand and strengthen our Edtech segment.

In Edtech, as in all our core segments, we are interested in real improvement for people's everyday lives, long-term impact, and sustainable value creation - fundamentally changing the world of learning for the better.



# Etail – eMAG<sup>1</sup>

## Operational performance



### Key statistics

Free cash flow

**-US\$170m**

(FY22: -US\$184m)

Number of employees

**7 698**

Capital expenditure

**-US\$142m**

(FY22: -US\$147m)

### Stakeholder material matters

**Employees:** Job opportunities. Skills development. Company culture

**Regulators:** Compliance across all regulatory areas (fiscal, financial, environment and competition)

**Merchants:** Growth and cross-border initiatives

**Consumers:** User experience. Range of products. Quality, efficiency and reliable service at the right price

### Strategic focus

- » Growth by focusing on categories that align with 3p market potential
- » Improvements in time in stock, selling tools, pricing and selection gap
- » Accelerating core etail services: Genius and Wallet
- » Focus on profitability through improved margins

### Risks

- » Macroeconomic downturn and higher interest rates
- » Competition from specialists in verticals
- » Geopolitical and economic uncertainty sparked by the Russia-Ukraine conflict

### Value drivers

- » Enhanced value, convenience and pricing with Genius loyalty programme for frequent users
- » Affordability through HeyBlu wallet
- » Wider selection from growth in marketplace offering
- » Convenience/delivery experience through showrooms and locker network

## Building a leading ecommerce ecosystem for customers across Central and Eastern Europe

eMAG Group is our leading ecommerce platform in Central and Eastern Europe. Over the years, it has built an ecosystem of complementary businesses on top of its vibrant eMAG Romania platform. From this 1p/3p (first-party/third-party) business-to-consumer or B2C core, eMAG extended into other categories:

- » Fashion through Fashion Days.
- » Food delivery through Tazz.
- » Grocery delivery through Freshful.
- » Logistics infrastructure across the group through Sameday.
- » eMAG's Genius loyalty programme that unites the customer experiences of these businesses.

The Etail business recorded explosive growth in the pandemic's early stages as consumers stayed at home with limited offline options. Post the pandemic in 2022, growth slowed due to geopolitical and economic uncertainty sparked by Russia's invasion of Ukraine, and a post-pandemic partial return of consumers to their offline shopping habits. At a macro level, rising inflation, increasing energy prices, higher interest rates and recessionary fears weighed on consumer confidence. For etail businesses, these headwinds were compounded by aggressive competition from offline competitors, as well as over and understocking positions on the back of supply-chain disruptions. As a result, GMV is -13% YoY (computed on US\$ translated amounts, and flat when computed in local currency) and revenue is down by -14% (-4% in local currency) to US\$2.0bn. eMAG's core etail business delivered a trading loss of US\$15m for the period (FY22: profit of US\$13m).

eMAG continues to react to changed market conditions – scaling back investments, focusing on profitability and maintaining a compelling value proposition for its customers. The company has reduced capacity to meet lower growth expectations and slowed investment in new adjacencies. A key element of eMAG's response to changes in the market was its shift in focus from 1p to 3p.

eMAG further adapted to the new context by becoming an affordable alternative to offline stores through its wide range of products, promotions/discounts, free delivery and flexible payments.

Over recent years, eMAG has made strategic investments in productivity and efficiency in the core business: Genius, the loyalty programme, continues to build a strong base of customers, and marketplace has recorded excellent growth due to broader product selection and increasing availability



Revenue<sup>2</sup>  
**US\$2.0bn**  
(2022: US\$2.3bn)

Trading loss<sup>2</sup>  
**US\$63m**  
(2022: US\$35m)

of the easybox delivery feature. Genius subscriptions reached 517 000 (up 54%) and now accounts for nearly one third of eMAG's sales in Romania (ie 35% of eMAG Romania's GMV, and 37% of group GMV). eMAG Group's easybox locker network has expanded to 3 805 lockers in Romania, 685 in Hungary and 241 in Bulgaria, increasing customers' options for pickup and reducing delivery costs.

Tazz, eMAG's food-delivery service, continues to scale and is now among the top participants in the highly competitive Romanian market. Freshful, which was launched in 2021, serves the underpenetrated and high-growth online grocery sector and is a natural extension of eMAG's core etail business. By leveraging eMAG's brand, purchasing scale and delivery capabilities, Freshful is well positioned to become a leading company in the grocery-delivery segment. In 2022, eMAG and PayU launched HeyBlu, which offers financial services to eMAG customers and allows a customer to defer payment for a purchase by 30 days or to pay in four instalments.

### The opportunity

Total retail spending (offline and online) for Romania, Hungary and Bulgaria is projected to grow at a CAGR of 6% from 2022 to 2026. Online penetration remains relatively low in these countries, ranging from 8% in Bulgaria to 11% in Romania in 2022. As a result, ecommerce growth is expected to outpace

retail's total 6% growth rate and average 12% for Romania, 15% for Hungary and 17% for Bulgaria from 2022 to 2026 (as per April 2023 Euromonitor report). These favourable macro trends will provide momentum for eMAG's businesses over the long term<sup>3</sup>.



<sup>1</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals. For further explanation of the use of APMS, refer to about this report in the governance section.

<sup>2</sup> Presented on an economic-interest basis.

<sup>3</sup> Source: Euromonitor, E-commerce (goods) as % retailing, YoY exchange rates.

eMAG is focused on maintaining its status as a Central and Eastern European preferred one-stop ecommerce platform. In addition to its established ecosystem, it operates PC Garage (specialised online retailer focused on gamers); Depanero (repairs appliances and electronic devices); Conversion Marketing (performance marketing); and Flip (refurbishes and sells second-hand mobile phones).

### Giving customers the best etail experience

To fulfil its mission of giving customers the best etail experience, eMAG focuses on four key pillars: enhancing convenience; helping customers make the right decisions; delivering on its promise; and making the difference in society while engaging customers on this journey.

Integral to reaching its goals is increasing customer engagement. The largest business, eMAG Romania, increased orders 4% YoY. While purchases of higher-priced items were lower in the face of economic uncertainty, engagement on the platform continued to increase. This is a key positive long-term trend for eMAG, given its commitment to play an ever-bigger role in meeting people’s everyday needs across Central and Eastern Europe.

Key strategic initiatives supporting this commitment are summarised below:

#### Growing Genius

The Genius premium subscription service has proved its appeal with customers, growing to 517 000 subscriptions from 197 000 at September 2021. Genius subscribers double their business with eMAG after joining and buying more broadly. This aligns well with eMAG’s long-term ambitions. After launching as ‘a subscription for free delivery’, Genius has evolved into ‘an end-to-end effortless shopping experience’. Genius members enjoy free home delivery for orders above RON100, free delivery via lockers for orders above RON30, free returns and exclusive Genius deals on eMAG, Fashion Days, Tazz and Freshful.

#### Growing Sameday

eMAG Group continued to strengthen its Sameday courier business, which aims for a 99% on-time delivery rate. In FY23, Sameday grew revenue 19%, meeting increased demand for deliveries from eMAG and other businesses in Romania and Hungary. Sameday has grown rapidly to consolidate its important presence in Romania, strengthened its operations in Hungary and launched in Bulgaria.

### Expanding the easybox network

The popularity of Sameday’s automated easybox lockers continues to grow – 81% of Genius orders are delivered via easybox, for example. These lockers give customers 24/7 service, pickup flexibility and over 99% on-time delivery rates. They are also cost-effective to operate and more environmentally friendly as they reduce the need to deliver to multiple individual addresses.

Sameday continued to expand the easybox network in Romania, from 2 500 to 3 805 lockers by the end of FY23, with over 60% of eMAG orders in Romania delivered via easybox. The easybox network in Hungary grew to 685 lockers and the first 241 lockers were installed in Bulgaria.

The easybox service has also been enhanced for added customer convenience. For example, customers can return items when it suits them via the lockers, with an instant electronic refund once they close the door. Called ‘magic return’, this method is quicker, safer and greener – and a good example of improving everyday life.

In addition, 37 lockers now have their own solar panels – making the service even more environmentally friendly. The plan is to roll out more solar-powered lockers.

### Fulfilling orders for third-party partners

The company continues to invest in and grow its Fulfilment by eMAG programme, where it manages delivery logistics for 3p partners. This enables eMAG to ensure delivery quality for customers and deepen relationships with merchants.

### Added convenience from food delivery

eMAG’s Tazz food-delivery service has quickly become one of the top participants in the highly competitive Romanian market, growing orders 15% from a year ago. Capitalising on significant investments to build the brand and customer base, Tazz is now focused on expanding to new cities and integrating into eMAG’s Genius programme. GMV generated from Genius represents 43% of Tazz’s total GMV and Genius customers are becoming more relevant, with higher frequency of orders and larger baskets. eMAG plans to extend this service further in FY24.

### Added value from grocery delivery

Freshful, operating for over a year, enjoyed rapid adoption due to a generous line-up of items, including small local producers and distinctive delivery service. It now offers a comprehensive range of 16 700 items, focused on local produce for truly fresh food. Setting it apart in the market, Freshful has a dedicated warehouse and refrigerated delivery fleet to ensure customers get exactly what they want, quickly and conveniently.

From 33 000 orders per month by end-FY22, Freshful grew to 75 600 monthly orders delivered in March FY23. High customer satisfaction reflects the range and quality of groceries on offer, coupled with the reliable ordering and delivery service. Available initially in Bucharest, and now in one more city, eMAG plans to expand Freshful city by city, leveraging the eMAG brand, purchasing scale and delivery capabilities.

### Expanding to financial services

eMAG’s partnership with PayU via HeyBlu offers customers convenient and flexible financial services, available for all categories of eMAG products or those from sellers active on eMAG marketplace. Options include:

- » Buy-now/pay-later (BNPL), where the shopper postpones payment for 30 days without any costs.
- » Payment in equal monthly instalments, with the first paid at transaction date and the balance over ensuing calendar months.

These services are being piloted in Romania and reflect eMAG’s commitment to developing ecommerce infrastructure services to offer customers a high-quality, reliable experience across the ecosystem – one that truly delivers value and improves their everyday lives.

### Promoting a circular economy

eMAG’s mission to bring complementary businesses into the ecosystem and promote a circular-economy model is illustrated by its investments. Flip, the Romanian start-up that refurbishes and resells second-hand mobile phones, also prevents significant quantities of electronic devices from ending up in landfills. In FY23, Flip expanded into Bulgaria and Hungary, and increased sales significantly to US\$39.5m GMV (full P&L, of which US\$20m relates to eMAG Group).

Additionally, eMAG encourages its customers to select returned and resealed ‘second-chance’ products, it offers a buyback programme for used home appliances in exchange for a voucher towards buying a new appliance (and eMAG collects the old appliance for free), and Depanero offers repair services for appliances and electronic devices.

In FY23, Depanero repaired 317 000 products across Romania, Bulgaria and Hungary; and sales of resealed products on eMAG’s platform increased by 48%. These examples illustrate how eMAG acts for the benefit of customers and the environment by extending the life cycle of products offered on its platforms.

### Looking forward

eMAG will continue to grow by extending the Genius loyalty programme, expanding financial services, rolling out more easybox lockers, repairing more products, increasing the delivery of food and groceries, and doing more to support the circular economy. Building on its mission to give customers across Central and Eastern Europe the best retail experience, the group is set to broaden and deepen this experience and provide it in ever-more sustainable ways.



Maintained scale, representing revenue of **US\$1.95bn**

**517 000** Genius subscribers

**>4 700** lockers throughout Romania, Bulgaria and Hungary



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# Etail – Takealot group

## Operational performance



### Key statistics

Free cash flow

**-US\$51m**

(FY22: -US\$64m)

Number of employees

**2 668**

Capital expenditure

**-US\$31m**

(FY22: -US\$24m)

### Stakeholder material matters

**Employees:** Job opportunities and skills development, increased diversity across workforce

**Regulators:** Changing regulatory environment. Building relationships and transparency with regulatory bodies within trading environment

**Merchants:** Adoption of merchants onto the platform

**Consumers:** Providing value, affordability, selection and convenience

### Strategic focus

- » Increasing profitability while continuing GMV growth
- » Advanced supply chain and logistics capabilities
- » Sustainable retail provider

### Risks

- » Macroeconomic downturn and high interest rates leading to decreased consumer disposable income
- » High inflation, particularly fuel and energy costs, as well as nationwide staged electricity loadshedding increasing the cost of doing business
- » Online penetration of ecommerce compared to total retail market

### Value drivers

- » Expanding of delivery options
- » Entry to new verticals, such as grocery delivery
- » Dedicated coaching and support for marketplace sellers

## Saving customers time and money, enabling businesses and creating opportunities across South Africa

The Takealot group is a leading ecommerce company in South Africa, with three major businesses:

- » Takealot.com: A general online retail and marketplace platform.
- » Superbalist: Leading online apparel and footwear retailer, focused primarily on young consumers (18 to 30 years)
- » Mr D: A first-party (1p) food-delivery marketplace. In FY23, Mr D entered the online grocery market in collaboration with Pick n Pay, one of the country's biggest offline grocery chains.

The Takealot group grew GMV 13% (FY22: 34%) and revenue 12% (FY22: 27%), both on a local-currency basis, excluding M&A, despite tough market conditions. Trading losses, however, increased to US\$22m.

Takealot.com successfully navigated the challenges of global supply-chain constraints across multiple categories, especially consumer electronics. It delivered revenue growth of 11% (in local currency) for the year.

Despite increased competitive pressure from offline retailers, Superbalist delivered strong revenue growth of 11% (in local currency), but aggressive pricing from brick-and-mortar retailers and discounts to clear ageing stock squeezed margins and resulted in higher trading losses.

In FY23, Mr D faced softening demand for delivered meals as consumers were impacted by high food price inflation and a return to pre-Covid-19 behaviour patterns for in-person dining at restaurants. In addition, the supply of delivered meals contracted as electricity loadshedding restricted restaurant hours of operation. Competition intensified as well, with more restaurants starting to make their own deliveries. Despite this, the business grew orders and grew GMV by 8% (11% including groceries).

The return to pre-Covid-19 shopping behaviours and a challenging macro environment put some strain on the financial performance of the Takealot group in FY23. Rising inflation, increasing energy cost, lower consumer confidence and increased operational costs from staged loadshedding across South Africa created an unfavourable business context. On the positive side, all businesses continue to deliver growth versus the previous financial year, and the Takealot group increased its share of transactions among retailers in South Africa.

To deal with the prevailing challenges, the Takealot group scaled back investments and hiring to focus on maintaining its customer value proposition while optimising the capital and operating expense base. New customer value propositions were implemented, including the rollout of same and next-day delivery, as well as new offerings, such as the grocery-delivery service. The company expects further growth of its marketplace segment, offering sellers a compelling platform while extending and deepening the product selection for customers. Takealot also supports new sellers through its onboarding process, coaching them on how to grow their business.

### The opportunity

The South African economy continues to recover from the effects of the pandemic, albeit more slowly than expected, with GDP growth forecast by National Treasury at 0.9% in 2023. Employment growth picked up in the second half of the 2022 calendar year, but the labour market remains challenging. In parallel, the trading environment faced rising



Revenue<sup>1</sup>  
**US\$808m**  
(2022: US\$827m)

Trading loss<sup>1</sup>  
**US\$22m**  
(2022: US\$7m)

fuel costs, higher levels of inflation, staged loadshedding, supply-chain disruptions and rising interest rates. Higher prices have produced a cost-of-living squeeze for customers with lower customer confidence.

The pandemic accelerated the longer-term momentum behind ecommerce in South Africa and there is still room for further growth. Despite a reversion in consumer behaviour towards malls and stores from 2022, and poor overall consumer demand, the underlying shift from offline to online retail is expected to continue. The total ecommerce market in South Africa is projected to grow from R49bn in 2023 to some R73bn in 2025, which will represent a 4.8% penetration of total retail. This is well below many other countries – from China to Brazil – and highlights the vast potential for South Africa and the Takealot group.

### Contributing to the country

Over the past 12 years, Takealot has become part of the everyday lives of many people across South Africa as the preferred source for quick, easy, reliable ways to buy items, order food, and more. Takealot stands out for having made these services as widely available as possible – notably by offering them in informal settlements from the start. Equitable access and availability have always been a core Takealot principle.

Importantly, Takealot has contributed to job creation and economic prosperity. Over 70% of employees are under the age of 35. This makes Takealot a significant contributor to creating job opportunities for young people in South Africa, where the youth unemployment rate is currently over 45%.

In addition, Takealot.com has focused on encouraging as many sellers as possible onto its platform and helped them make the most of the platform. In FY23, there were

9 866 active sellers, up from 310 nine years ago. Many of these are small to medium local businesses, which in turn are creating more jobs and generating more economic activity. If we consider the multiplier effect of these jobs created – for example, if every seller on average has three or four people working for them – the resultant job creation is significant. Another example is the growth in drivers over the years, from around 400 in 2011 to close to 16 000 in FY23. The pool of franchisees has grown too.

Through Takealot's ecosystem, more people and more businesses benefit; as Takealot grows, so does the positive impact on South Africa's economy and society.

### Looking forward

Takealot is investigating opportunities and new ways to expand the platform and services and increase investment in its logistics and supply-chain infrastructure, so everyone involved can gain.

The group has embarked on a major programme to upgrade much of its platform, to ensure the business can easily handle continued growth and expanding services. The objective is to produce a business that is more resilient and more flexible – one that can scale quickly and effectively, and in new ways, to meet the needs of customers and partners.

The group will also continue to look for more ways to support all the participants in its ecosystem. This includes exploring ways to help more new businesses participate and succeed. The aim, as ever, is to enable as many people and businesses as possible across South Africa to benefit from Takealot.

<sup>1</sup> Presented on an economic-interest basis.

# Other ecommerce: Ventures<sup>1</sup>

## Operational performance



<p><b>Ventures</b></p> <p><b>ElasticRun</b></p> <p><b>Covers</b>  <b>&gt;80 000</b> villages across <b>26</b> states in India  <b>&gt;400</b> brands on the platform receive access to <b>+250 000</b> kirana shops</p>	<p><b>99minutos.com</b></p> <p><b>60 markets</b> across Mexico, Colombia, Chile and Peru  Handles <b>&gt;15 million</b> packages per year</p>
<p><b>Shipper</b></p> <p><b>&gt;35 000</b> SMEs  <b>&gt;1 000</b> enterprise clients  <b>&gt;320 000m<sup>2</sup></b> warehouse space across 35 cities</p>	<p><b>VEGRÖW</b></p> <p><b>Delivers to</b>  <b>&gt;100</b> cities  <b>&gt;200t</b> fruit processed daily  <b>&gt;25 000</b> farmers in supplier network  <b>&gt;250</b> production pockets across the country</p>
<p><b>meesho</b></p> <p>India's <b>third-largest</b> online marketplace by GMV  <b>3 million</b> average daily orders  <b>&gt;100 million</b> product listings  <b>140 million</b> annual transactors  <b>85%</b> repeat users  <b>275 million</b> downloads in 2022, making it the most-downloaded shopping app globally for <b>two</b> consecutive years  <b>&gt;1.1 million</b> sellers on the platform in <b>seven</b> years  <b>60%</b> of <b>500 000</b> suppliers onboarded in 2022 were new to ecommerce</p>	<p><b>DeHaat</b></p> <p><b>Serves</b>  <b>&gt;1.8 million</b> farmers providing access to <b>&gt;4 000</b> agricultural inputs  Vast network of <b>11 000</b> DeHaat centres across <b>11</b> Indian states  Robust last-mile supply chain in <b>&gt;110 000</b> villages across <b>&gt;150</b> districts of India  Onboarded <b>&gt;2 000</b> agribusiness institutions (input manufacturers, FMCG companies, banks, output exporters and insurance partners) on its platform for direct access to farmers</p>
<p><b>DETECT TECHNOLOGIES</b></p> <p><b>&gt;10 000</b> connected data sources  <b>&gt;800TB</b> data processed per month  <b>&gt;700 000</b> actionable insights served to improve safety and productivity  Deployments in <b>13</b> countries  Deployment support extended to <b>25</b> geographical regions</p>	<p><b>aruna</b></p> <p><b>40 000</b> registered fisherfolk  Operates in <b>177</b> locations in <b>31</b> provinces in Indonesia (90% of the country)  <b>7 000</b> job opportunities in rural areas of Indonesia</p>

## Identifying and investing in the next wave of group growth

### Evolving market

Recent years have been transformational for Naspers Ventures in many respects. While the world has become increasingly volatile, we are confident about our operating structure. The key is that, like the wider group, we invest in businesses that are solving big societal needs with technology, in a uniquely local way.

As a long-term investor, we expect fluctuations in the market. We have experienced this before, as Naspers has invested over decades across a number of high-growth sectors and geographies. Equally, as both operator and investor, we have weathered the impact of previous periods of economic instability.

We believe there are still opportunities to invest in quality companies and many will emerge from the downturn as stronger, more sustainable businesses.

When evaluating new investments, the bar was indeed higher this year given the level of uncertainty in the market. While this may result in a lower quantum of dollars deployed, we continue to prioritise our earlier-stage investing, and, as a business, we are hyper-focused on our criteria across industries and geographies.

Additionally, we have an even greater focus on our existing portfolio and will prioritise investments in these companies, helping our founders and their teams to weather macroeconomic impacts. Several of our founders are facing adverse market conditions for the first time, and we continue to advise them based on what makes sense for their stage of development.

Naspers is a truly global investor, operating in over 100 countries. This deep understanding of international markets enables us to offer a global perspective on macroeconomic conditions, backed by a level of local expertise, which becomes an added layer of support for our founders and companies.

### Nurturing the next wave of growth

Naspers Ventures partners with innovative entrepreneurs around the world to build leading technology companies in high-growth markets. We act as the group's incubator for new investment areas. This will remain unchanged as we continue to believe in our underlying thesis, zeroing in on sectors of the economy where technology can lead to meaningful change in consumer and business behaviour and economics.

In FY23, we invested and committed over US\$200m in more than 30 closed transactions. We will continue to invest in market disruptors, the next generation of tech-enabled industry titans, those being founded and funded now. In line with our momentum over recent years, we will expand investments across ecommerce, AI, fintech, mobility and logistics, agtech and sustainability, B2B and blockchain, in addition to software as a service (SaaS) and other frontier tech.

Our geographic focus will remain consistent with previous years as we have grown our investments and leadership in India, as well as our presence in south-east Asia, Europe and the Americas.

We will continue to invest in the new year, as we expect more opportunities ahead. Despite market conditions, it is an exciting time for new frontier technology, and we look forward to uncovering the next wave of entrepreneurs with high potential and the ambition to scale.

### What we look for

Ventures follows the group approach by investing in a disciplined, focused way. We look for three key criteria:

- » We back businesses with large total addressable markets (TAMs) that meet big societal needs in high-growth regions, and where we can really make an impact as an investor.
- » We focus on sectors of the economy where technology can lead to meaningful change in consumer behaviour and economics.
- » We invest in world-class entrepreneurs who want to build leading technology companies.

### Geographic focus

#### India

India remains a high-focus area, given the vast opportunity for growth in the market across a number of sectors, and the competitive edge we have built as an investor over the years. India is one of the few countries where the demographic dividend is still to play out. In the next decade, there will be more people of earning age than those who need to be supported. In addition, this large workforce is skilled in technology and has global exposure. India has a large and vibrant local economy that has emerged as the fastest-growing major economy in the world, as well as the most populous. With a large domestic market that is relatively less-exposed to international trade flows, India's economy is well positioned to weather global spillovers compared to most other emerging markets. Several of our companies have joined the ranks of Indian unicorns.

#### New markets

In the past three years, we have invested in a number of new markets where we have identified strong growth opportunities. We have significantly expanded our presence in areas such as south-east Asia, Europe and the Americas.

### Sectoral focus

#### Mobility and logistics

The logistics industry is growing in tandem with growth in ecommerce as rapidly changing consumer expectations and trends during the pandemic become entrenched behaviours. This includes a surge in last-mile and same-day deliveries.



#### AI

Start-ups using AI are making better data-driven decisions, automating tasks and more to unlock new competitive advantages. In line with our focus to invest in frontier tech, we expect more innovation in this space, and it will remain to be a growing focus area in future.



#### Agtech and sustainability

Agtech and sustainability are increasingly important areas. As climate regulation remains top of the global agenda and consumers become more climate conscious, we expect more growth, innovation and adoption in this field. We have several investments in the alternative proteins sector that prioritise reduced environmental impact, as well as companies bringing efficiency to farming, and crop production and the fisheries sector.



#### Deep-tech

Deep-tech innovation is solving some of the world's most significant problems, while advancing humankind. These are companies that focus on novel breakthroughs and deep intellectual property or IP. Recently, we made our first investment in this category. Oxford Ionics is a high-performance quantum computing company delivering unique innovations to create powerful, accurate and reliable quantum computers to solve the world's most critical problems.



### Looking forward

We expect the 2023 calendar year to be a key period for many of our portfolio companies and we will continue to support our exceptional founders and companies while remaining an active investor. As we are flexible investors per our investment thesis and invest when we see an opportunity, this enables us to invest in ideas and companies that will be part of the next wave of growth for Naspers and high-growth sectors all over the world.

<sup>1</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals. For further explanation of the use of APMs, refer to about this report in the governance section.



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# Social and internet platforms<sup>1</sup>

## Operational performance



### Tencent

Tencent weathered a challenging 2022 with resilience, supported by its diversified portfolio of products, businesses and investments. For the year ended 31 December 2022, revenue declined 1% to RMB555bn. Non-IFRS profit attributable to shareholders (Tencent's measure of normalised performance) declined 7% to RMB116bn.

### The opportunity

China recorded 3% annual GDP growth in 2022 amid Covid-19 lockdowns, global concerns about prolonged inflation and increased geopolitical tensions. The Chinese government relaxed pandemic restrictions at the end of 2022 and reopened borders in January 2023. The World Bank forecasts that China's economy will grow by 4.3% in 2023, and 5% in 2024. China is the world's largest consumer internet market and continues to grow ahead of many other large internet markets. There were 1.067 billion internet users in China in December 2022 (1.032 billion in December 2021), 99.8% of whom were mobile users. With a highly mobile-penetrated population, growing middle class and increased investment in the digital transformation of industries, the opportunity in China's internet industry remains vast.

### Continuing to lead

Tencent is a global internet and technology company that develops innovative products and services to enrich the lives of users. Its communication and social services connect more than one billion people worldwide, enabling them to stay in touch with friends and family, shop online, pay for daily necessities and be entertained.

Tencent publishes some of the world's most popular games and other high-quality digital content, enriching interactive entertainment experiences for people around the globe. It also offers a range of business services such as cloud, enterprise services, fintech and advertising to support its clients' digital transformation and business growth.

Monthly active users of Weixin and WeChat reached 1.3 billion, up 3.5% YoY. User time spent on Weixin continued to grow as it expanded its content, service offerings and short-form video capability. Time spent on Mini Programs and Video Accounts doubled and tripled YoY respectively, in the fourth quarter of 2022. Mini Programs has become a leading

transaction platform in China, contributing to the growth of the real economy. Video Accounts has become a major short-form video and live-streaming platform in China.

Tencent enlivened the video chat experience for QQ by adding Super QQ Show avatars using enhanced motion-capture technology to mirror users' facial expressions and gestures in real time. It enriched the content of anime, comics and games for QQ's short-video service, Mini World, and launched AI-powered video-creation tools, significantly increasing daily active users and time spent per user.

It continued to lead in the China online game market, with Honour of Kings resuming YoY growth in daily active users in the fourth quarter of 2022. Internationally, Tencent elevated Valorant as a top global franchise and published two of the top three new mobile games of the year.

In online media, Tencent Video's subscriptions moderated slightly to 119 million due to content-scheduling delays, while subscription revenue increased YoY in the fourth quarter of 2022 in line with average revenue per user growth.

In advertising, Tencent improved its long-term position by launching Video Accounts in-feed ads, enhancing transaction-driven capability and machine-learning infrastructure in 2022. In the fourth quarter of 2022, advertising returned to YoY revenue growth. Click-to-message and click-to-purchase ads accounted for over one third of Weixin's advertising revenue.

In fintech, Tencent's commercial payment business was temporarily impacted by Covid-19 outbreaks, which significantly slowed volume growth. It is expanding its wealth management and exploring opportunities in consumer loans and online insurance services.

In business services, Tencent further reduced loss-making activities and optimised costs while focusing on healthier-margin, self-developed platform-as-a-service solutions such as video cloud and database.

It made significant progress in its drive to create sustainable social value and announced its commitment to carbon-neutrality by 2030. Tencent's digital philanthropy platform raised donations for over 25 000 projects and engaged more than 100 million users. In 2022, Tencent increased its return of capital to shareholders through distribution in kind, share repurchase and cash dividend.



Revenue<sup>2</sup>  
**US\$22.3bn**  
(2022: US\$25.3bn)

Trading profit<sup>2</sup>  
**US\$5.1bn**  
(2022: US\$6.3bn)

### Looking forward

The regulatory environment of China's internet industry continues to evolve, reflecting its expanding economic and social importance. In 2022, Tencent increased its business efficiency, sharpened its focus on core activities, and developed new services and revenue lines, successfully repositioning the company for sustainable and high-quality growth. It is investing in AI capabilities and cloud infrastructure to embrace foundation models, which it believes will enhance the experience of its existing products and services, and allow it to explore the introduction of new products.

Tencent is committed to enacting its vision of 'value for users, tech for good' by continuing to develop advanced technologies and innovative products and services that create shared value and promote the sustainable development of society. Tencent sees ample opportunities in both the consumer and industrial internet as technology advances.

<sup>1</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals. For further explanation of the use of APMS, refer to about this report in the governance section.

<sup>2</sup> Presented on an economic-interest basis.



Delivering an outstanding performance across the business – from digital and print media to ecommerce

### Quick read

In recent years, Media24 has been building a leaner, profitable, digital-first South African media business with a significant investment in ecommerce. In FY23, the streamlined but still diverse business portfolio, combined with stringent cost management, contributed greatly to its ability to remain profitable despite a trading landscape under severe pressure.

### Leading in media

Media24 is one of the leading print and digital media groups in South Africa, with interests in digital media and services, newspapers, magazines, ecommerce, book publishing and media logistics. Through its magazines and newspapers, it reaches 1.4 million average daily unique browsers, generating 10.9 million average daily page views across its digital platforms.

### Weathering the economic storm

Despite an already slow start to the financial year and an economic downturn that intensified from the second quarter, Media24's trading results for the period outperformed expectations, but were much lower YoY.

Over the past two years, favourable trade conditions supported exceptional results from strong revenue growth, boosted by the leaner cost base established in 2020. However, as expected and forecast, the level and scope of the recovery recorded in 2021 were not sustainable in the face of harsher domestic and international economic realities in a post-pandemic world, hampered by the fallout from global events.

Despite these challenges, total consolidated revenue of US\$207m for FY23 was -16% (-1%) YoY. This, coupled with stringent cost management, sustained trading profit to US\$7m, a -69% (-56%) decline against the prior year. This was achieved on the back of mixed results, marked by the following operational factors:

- » A considerable pullback on digital advertising, in line with global trends, with print advertising following suit from the second quarter.

- » Lagging and/or fluctuating print circulations, but sustained strong digital subscriber growth at both News24 and Netwerk24.
- » Cost-saving initiatives at the print-publishing businesses hampered by the sharp increase in paper prices and record fuel prices.
- » Improved income from reigniting diverse revenue projects at Lifestyle.
- » Continued growth in external media logistics revenue at On the Dot.
- » M24 Logistics countered declining ecommerce volumes – in line with international trends – by curtailing costs.
- » Media24 TV reaping the benefit of unbudgeted television commissions.
- » Excellent school textbook orders in South Africa.
- » Sustained strong trade sales at Jonathan Ball Publishers.
- » Costs tightly managed.

Media24 implemented several cost-saving initiatives in the second half to offset contractions in the market, but without compromising its value offering or areas of growth.

### Maintaining media ethics and independence

Editorial independence and ethical reporting are cornerstones of our business. This is reflected in our core values – respect, integrity, courage, and accountability – which are embedded in our employment contracts and policies. Our publications subscribe to the South African Press Code, which prescribes news that is fair, accurate, truthful and balanced, as well as the code of the Advertising Standards Association, which promotes responsible and truthful advertising devoid of false claims. The internal ombudsman monitors ethical reporting in our publications. Complaints on media ethics and independence may also be referred to the South African Press Council. Staff is required to complete training on our code of ethics, as well as other related topics, including whistleblowing and privacy.



Revenue<sup>1</sup>  
**US\$217m**  
(2022: US\$257m)

Trading profit<sup>1</sup>  
**US\$7m**  
(2022: US\$17m)

### Quality journalism and publishing

Media24 has a proud history as the home of quality journalism and publishing. The long list of local and international industry awards include: News24 named by the Reuters Institute as most trusted news brand in the country for the fourth year in a row; a second consecutive One World Media Award (News24); three INMA Global Media Awards and eight honourable mentions; six IAB Bookmark Awards, including the Black Pixel Award as best online publisher for the sixth consecutive year; four MOST Advertising Awards, including Lifestyle named as Media Owner of the Year; New Media received three awards and four honourable mentions at the Eddie & Ozzie Awards (New York) and a gold award from the International Content Marketing Institute; 22 winners in top three positions in the Forum of Community Journalists Excellence Awards; three Standard Bank Sikuville Journalism Awards and three commendations; two WAN-IFRA African Digital Media Awards; eight regional winners in the Vodacom Journalist of the Year Awards; and a slew of national literary awards for authors at NB Publishing.

### Looking forward

We maintain our strategy to build a smaller, profitable media business with a significant interest in ecommerce, while transforming and cementing business sustainability for a digital-driven future.

<sup>1</sup> Presented on an economic-interest basis.

# Returning value to shareholders



We are committed to building a 'cycle of value creation'

## September 2022

Launched multiyear share buyback funded by sale of

**Prosus shares**

## Year-end

Repurchased

**16.3 million**

Naspers shares

with a total value of

**>US\$2.5bn**

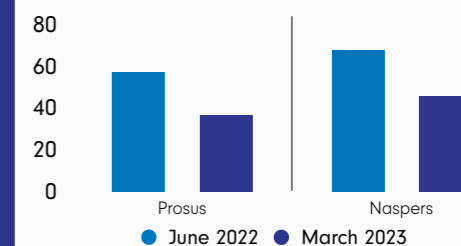
Increase in NAV per share for shareholders

**4.5%**

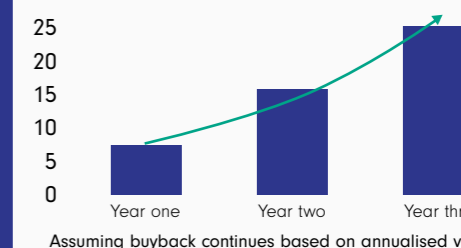
**Tencent dividends** remain a meaningful and stable contributor to our cash flow

Effective solution to unique challenge, creating immense value for shareholders

Reducing the discount

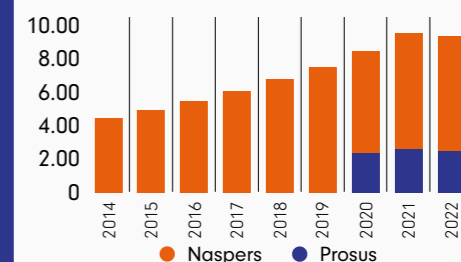


NAV per share accretion compounds over time (%)



We have great confidence in Tencent's long-term prospects and the execution of the buyback programme will result in the group increasing net asset value per share.

History of dividend to free-float shareholders of Naspers and Prosus (R)



# Sustainability review

## Our approach

### Creating sustainable value



We create sustainable value for key stakeholders through our business model and in line with the United Nations Sustainable Development Goals (UN SDGs). Below is an overview of the nine SDGs that our business, companies and people contribute to in a significant and material sense. Please see our website for more details.



We are living in an increasingly turbulent and unpredictable world where technology is rapidly transforming the way we live and interact with each other. In this post-Covid-19 reality, with geopolitical instability contributing to already-stressed resources, on 15 November 2022, the eight-billionth human being was born.

We have no choice but to transition to a more sustainable way of being able to meet the needs of this generation and the generations to come. And critically, every person in society

needs to be part of this transition. We believe we can harness the power of technology to drive this transition, which is why **being a force for good** underpins our sustainability purpose.

Our capital allocation strategy reflects this opportunity as we continue to increase our exposure to revenues from a well-diversified portfolio of asset-light and low-carbon digital services. As one of the world's largest technology investors, creating sustainable value lies at the core of everything we do. The companies we invest in are visionary entrepreneurs,

rooted in their local communities, building virtual businesses with a lower carbon footprint than their old-economy offline counterparts. Our portfolio of digital services is driving a systemic transition, from a linear economy of take-make-waste towards a circular economy and improving material efficiency and use of sustainable resources.

Every investment we make has the potential to reduce inequalities and drive innovation. By investing in local entrepreneurs who are solving for local needs, we support local economic growth in those communities – in the long run, this is the most sustainable way of driving economic parity and equitable access to opportunity in a society. Digital financial services, for example, reach people previously underserved by businesses using brick-and-mortar infrastructure. Our portfolio of edtech platforms is enabling businesses using an increasingly diverse user group to access online learning anytime, anywhere without the carbon footprint of a physical learning institution. Similarly, e-tail allows for selling and buying products without the accompanying physical footprint while our best-in-class food-delivery businesses are creating livelihood opportunities in countries where there is high youth unemployment.

### Sustainable value creation

The criteria for our investment decisions are clearly defined and exclude or limit our exposure to revenue from business models that conflict with our sustainability-driven approach.

Our approach is characterised by the overarching objectives to mitigate risk, manage performance, and create sustainable value. It is founded on our three pillars of responsible investing:

- » We proactively aim to avoid exposure to revenues from a defined set of controversial activities such as carbon-intense business models, pornography, tobacco, weapons, and others.
- » Once an investment decision is made, we continue to apply an ESG lens to track performance and gauge the progress of companies in which we acquire a controlling interest. While the nature and definition of material impacts may vary between companies, we apply consistent ESG principles and systemically cascade our sustainability agenda to our subsidiaries. These include data privacy and cybersecurity, human rights, business ethics and compliance, and climate action.
- » We will continue to increase our exposure to revenues from sustainability-native business models. Our Ventures team is exploring potential new segments from carbon reduction to smart mobility. For example, we invested in companies such as DeHaat, Aruna, Biome Makers and Vegrow that apply sustainable digital solutions in agtech by using soil biology analytics and AI-based tools to determine the most sustainable solutions for crops and address specific climate and societal challenges.

### Responsible business

Our family of companies is well diversified by sector and geography, which is our strength and differentiator. While the experience of doing business in difficult contexts is our competitive advantage, it also presents challenges. Our assets span an array of political and social contexts, along with vast variances in maturity of these companies in addressing ESG topics. Most of the companies are privately held, building technology-based commercial strategies in tough markets. However, we believe that by securing leading positions in fast-growing markets, our businesses can create the opportunities and connectivity that are preconditions for societal development and **environmental protection**.

While the principles we bring to our portfolio companies are consistent as set out in our sustainability policy and **environmental programme**, we apply a differentiated approach to engaging with them defined by our level of interest in the company, in turn an indicator of our ability to influence. In our corporate operations, we control our sustainability strategy. Where we have controlling interests, we work closely with the companies to ensure management embeds our principles for all material issues, adapted for factors such as business model, operations, employees and geography, resources, and the complexity of their activities. Where we have significant minority investments, we leverage our board seat, where we have one, to share our sustainability agenda and ESG principles. The demographics of the companies where we hold minority investments are vastly different, ranging from very mature listed entities to companies in their early growth stages. The resource allocation for engagement and monitoring of their ESG performance will remain nuanced, based on the type of company and their materiality on our balance sheet. Across all these companies, however, if we have a non-controlling interest, we remain relatively limited in our ability to influence the companies' strategy and activities.

Our engagement considers the position and role of the private sector in the larger country-level operating context of each group company. This includes requirements of local regulations, making a one-size-fits-all approach highly impractical. In the rare situation that national law conflicts with international standards, we expect compliance with national law and seek ways to respect the principles of internationally recognised standards and best practice.

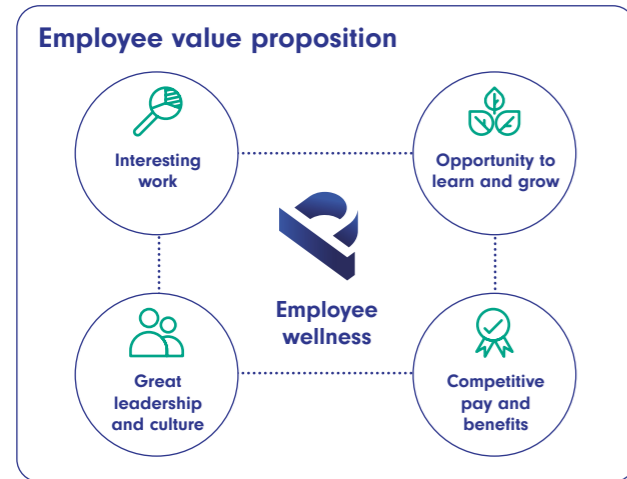
Our sustainability accelerators network (SAN) is an engagement opportunity that we offer to all Naspers companies, regardless of control and ownership levels. This is a forum where sustainability leaders and experts across the group come together each quarter to share updates and exchange best practices. This network has led to further thematic offshoots like the packaging and waste working group that catalysed reports to support the companies in mapping their own pathway.





## People

Our people are the heart of our business – they underpin our success. We are dedicated to helping our people develop their full potential by creating a diverse, inclusive and learning organisation.



### Our employee value proposition

Our people seek meaningful jobs with line-of-sight to business outcomes and the opportunity to learn and grow professionally. We enjoy working in a purpose-driven environment, where we are recognised for a job well done and are fairly paid in line with personal and company performance. We care for and connect with our people, particularly in times of need.

### Interesting work for our people

We are dedicated to helping our people be their best by enabling a culture built on diversity, inclusion and learning.

We face the global shortage of digital talent every day. The best people have many choices about how and where they work, and who they work for, so our employee value proposition is critical to attract talent that ensures the continued growth and success of our business. As such, we focus on:

- » Offering meaningful jobs with a sense of purpose in a company committed to deploying technology to address big societal needs and to enriching the communities in which it operates.
- » Delivering career-enhancing professional development and ongoing opportunities to network, learn and collaborate internally and externally.

- » Recognising excellent work with fair and competitive rewards, enabling us to compete for talent with global, regional and local consumer internet companies.
- » Putting positive, engaging and inclusive culture and leadership at the heart of everything we do, in an environment where many different types of people feel happy and are able to do their best work.

### Opportunity to learn and grow

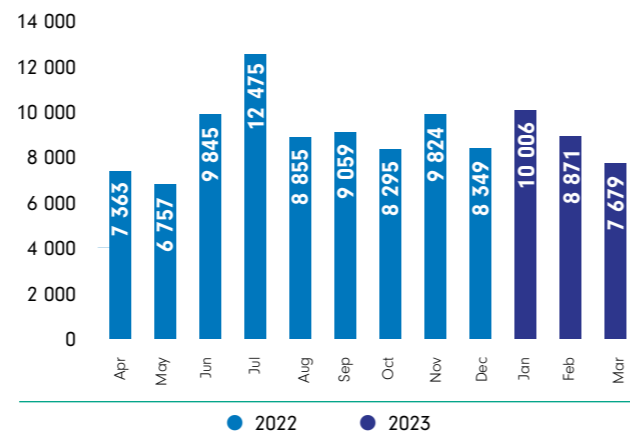
We make learning accessible everywhere, at any time. MyAcademy – our online hub connecting our people to learning materials – is available on demand to everyone in the group.

Our people development programmes focus on four key areas:

- » Reinforcing the leadership pipeline and accelerating the growth of top talent.
- » Driving a performance culture.
- » Supporting the ongoing development and growth of our businesses by equipping our people with core consumer internet and digital media skills.
- » Accelerating major transformation plans requiring large population upskilling such as artificial intelligence, diversity and inclusion, and sustainability.

We have curated the very best learning experiences from providers around the world, including our own education partners. The flexibility of the MyAcademy web-based technology allows rapid and efficient deployment across the group.

### Monthly active learners



### Limitless learning

We care deeply about providing equal learning opportunities to our people, especially in geographies where access to learning is hampered by the lack of local infrastructure and resources.

To illustrate the flexibility of our digital learning platform, we supported the group focus on cybersecurity by launching programmes that equip people with an understanding of associated threats.

We also explored learning formats that more closely resemble face-to-face training sessions by expanding our live digital training offering. In 2023, we organised four MyAcademy ‘unplugged’ live sessions inviting external speakers to talk about sustainability and inclusion. This new format allows us to simultaneously connect hundreds of employees with recognised external experts on some top group priorities.

### Strengthening our capabilities on topics critical for growth

Technology training is one of the most popular development areas on MyAcademy. We also use the platform to accelerate and strengthen our capabilities on other topics critical to our growth – from leadership and management skills to personal development and cross-cultural training.

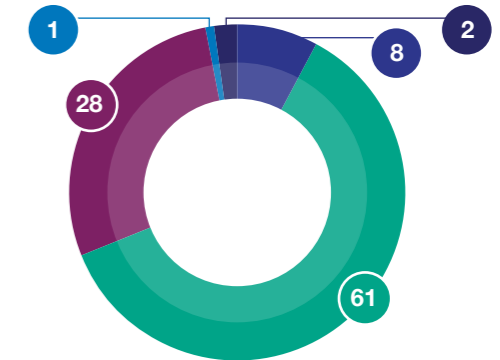
Our live education programmes focus on leadership, management, business development, artificial intelligence (AI) and machine learning (ML). These sessions bring people together from across the group, enabling them to learn from each other, share best practice and interact with the best trainers and facilitators in their field. We will continue to introduce our leaders to the latest innovations so they can translate them into practical business initiatives.

MyAcademy is also a critical element in our AI and ML transformation plan. We use it to train people who are not in engineering roles in AI and ML, through our AI for everyone course. MyAcademy has enabled 105 technology colleagues to earn AI nanodegrees and initiate a new career path in the field. In addition, our AI for growth programme equips business leaders with the skills and knowledge they need to build AI-centric businesses.

For more information on AI and ML, see page 86.

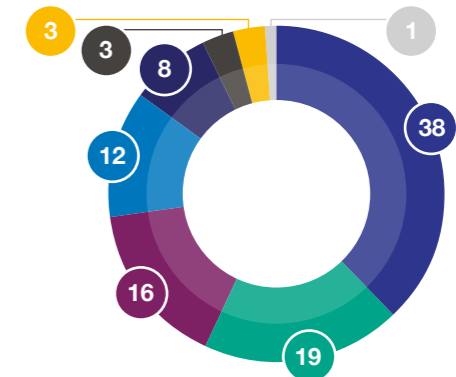
27 573 (2022: 28 300) permanent employees in some 80 countries and markets.

### Headcount by region (%)



Asia Pacific	2 280	8%
Europe, Middle East and Africa	16 955	61%
Latin America	7 788	28%
United Kingdom	100	1%
United States of America	450	2%
<b>Total</b>	<b>27 573</b>	<b>100%</b>

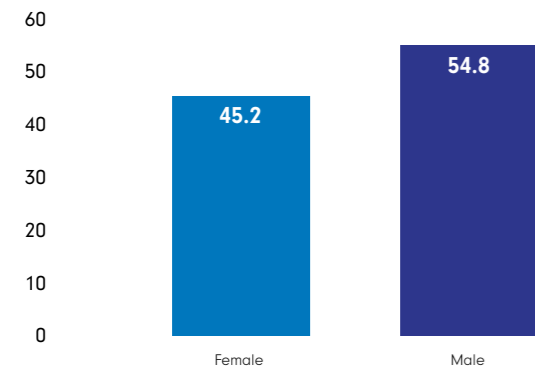
### Headcount by segment (%)



Etail	10 366	38%
Food Delivery	5 210	19%
Classifieds	4 500	16%
Payments and Fintech	3 447	12%
Print	2 167	8%
Edtech	859	3%
Other	750	3%
Corporate	274	1%
<b>Total</b>	<b>27 573</b>	<b>100%</b>



### Employee demographics (%)



#### Great leadership and culture

##### Cultivating a strong groupwide culture

We are a diverse group of global companies, but our values (see page 7) are consistent for our people wherever we operate.

##### Building a diverse and inclusive workplace

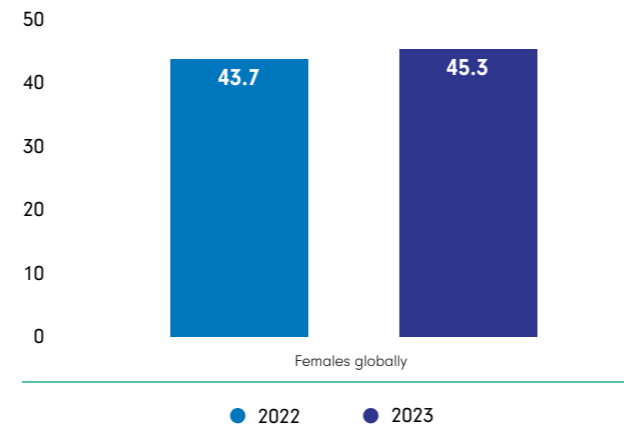
Building a diverse and inclusive workplace is a key element of our business growth and success strategy.

Given the scarcity of talent in the consumer internet industry and our focus on growth markets, attracting and retaining talented and qualified candidates is an ongoing challenge. We are addressing this with talent sourcing and acquisition strategies designed to attract a diverse range of people who, in turn, represent the full diversity of our customer base.

Our approach is based on three interdependent pillars:

- » Top leadership support: Our leadership team champions these initiatives. Diversity and inclusion is a business strategic priority, and a measurable goal for management teams. For more information, see pages 80 to 82.
- » Employee experience: All the different experiences individuals can have during their journey with our group.
- » Shared responsibility: To ensure we create a truly inclusive workplace, and that we have the right impact on society, we all have a responsibility to encourage diversity and inclusion.

### Global group demographics (%)



#### Employee experience

##### Focusing on gender diversity

We face the same challenge as our consumer internet competitors in attracting and retaining female talent, especially for product and technology roles. Our initiatives to address gender diversity specifically span the employee journey and all levels of the organisation.

We track gender representation at every stage in our recruitment process, and use data to ensure our recruitment pipeline is more balanced. We review our job descriptions and our communications with candidates to ensure the language we use is inclusive, and there is a diverse interview panel.

From board to senior management and the general employee population, there is an upward trend in hiring women, as reflected in the last four additions to the board. In addition, more women are being recruited into management roles across the group.

To ensure the gender balance of our board members, we are committed to a minimum of one third of board members who are female.

See page 124 for our board diversity policy.

#### Involving our employees

We assess our progress in building an inclusive workplace by asking all our people for their feedback in our annual engagement survey. Monitoring the results enables us to understand if we are making the positive impact we want, and the results this year show great progress. We also include the topic of building an inclusive workplace in our leadership development programmes to reinforce its importance.

We are committed to creating working environments that are free from harassment of any kind. We have provided training and education to all our employees on our zero-tolerance approach to harassment, and guidance on how to raise any concerns.

In our March 2023 employee engagement survey, we reached a global score of 83% favourable responses to our gender diversity question. We achieved a score of 86% favourable responses to our inclusion question, stated as: 'I feel respected at my company'. We see no significant difference in results between genders for these questions. We believe employee feedback is a good indicator of our impact and progress towards greater diversity and inclusion in the workplace. We recorded a 3 percentage point reduction in our global engagement result in FY23. Employee sentiment was impacted by workforce restructuring during the period. We remain committed to improving employee engagement and will continue to focus on that in the new financial year.

#### Competitive pay and benefits

##### Fair pay

Equality and consistency are embedded in our pay practices across the group as we build diverse and inclusive workplaces. We operate in high-growth economies where socioeconomic disparity can be large, and societal fairness is very important to us. We ensure our pay practices around the world are fair, competitive and above minimum-wage standards.

Our commitment to pay for performance and alignment with shareholder value creation drives all our reward activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world.

Our fair remuneration systems are:

- » **Equitable:** Free from discrimination.
- » **Relevant:** Linked to personal and company performance.
- » **Rational:** Easy to explain.

We strive to pay fairly and responsibly. As far as possible, the structure of our pay is consistent, regardless of seniority, ensuring equality of pay across our businesses.

We are committed to ensuring that the companies we invest in have fair pay and working conditions for delivery partners, irrespective of the classification of their engagement, which varies across the globe.

Full-time active drivers for iFood, Tazz (an eMAG group company) and Mr D (a Takealot group company) on average earn more than the prescribed minimum wage in the countries where they operate.

Our companies provide a range of benefits to drivers, which varies by country, such as: health insurance/life insurance benefits, and access to driver education, as well as low-cost access to safety equipment (such as helmets and protective clothing).

#### Ensuring pay equality

We believe in equitable pay for performance – rewarding people fairly for performance aligned to shareholder outcomes. As such, reward is designed to incentivise achieving strategic, operational and financial objectives, in the short and long term. In addition, we design our reward system to attract and retain the best diverse talent around the world, fairly and responsibly.



To ensure equality, we offer similar pay, bonus and long-term incentives for similar jobs and performance levels, make fair and consistent pay decisions and apply objective and measurable pay differentiation. We do this regardless of race, gender, sexual orientation, religion, colour, nationality or disability. We ensure equality at every step, from hiring to placement to progression.

Maintaining pay equality is embedded in our ways of working:

- » We run regular pay-equality analyses, for example for new hires, to identify any unintended or possibly biased differentiation in pay.
- » We perform calibration exercises across the group as a standard process before we make reward decisions so that we can proactively redirect if needed.

### Employee wellbeing

We believe happy and engaged employees create satisfying customer experiences. It is important in a competitive global market that we give our people a compelling reason to work for Naspers. We regularly measure employee engagement across the group and ask our people for feedback on their experience of working at our group companies. Our businesses actively encourage participation in our employee engagement survey, address issues raised and share best practices.

In our last engagement survey in March 2023, we maintained our participation rate of 83% and had an engagement score of 71%. Although these results are lower than last year, they are still in line with external benchmarks and we continue to focus on positive employee engagement across the group.

Throughout this last survey, we noted an increase in our wellbeing and hybrid work factors versus the last survey done in FY22. The most significant increase is focused on the teams' feeling of spending enough quality time with others, showing the direct impact of our blended work approach.

#### Statistics

Engagement survey participation rate of **83%** Engagement score of **71%**

## Digital inclusion

The digital divide remains a fact in many countries where we operate. We are committed to investing in and scaling digital services and technologies to address global challenges at a local level.

As a global consumer internet group, we advocate for the benefits of widespread digital access. Our family of digital services companies is removing physical barriers to ecommerce, food delivery, financial services and education.

We build companies with a strong market presence that use digital technology to improve the daily lives of billions of people. Businesses across the group offer access to online services that enable financial transactions, buying and selling goods, food delivery and education.

Our companies also support targeted inclusion of underserved individuals in the community through community investment initiatives.

## Innovation

Our core segments include global leaders in the delivery of virtual essential services, with an improved environmental footprint and lower emissions than brick-and-mortar businesses. We are deepening our understanding and quantifying how digitalisation helps the world transition to a low-carbon society. In FY23, we initiated life-cycle analysis projects to help us quantify the impact of digital services compared to offline, analogue and physical services.

Our strategy for digital services places particular focus on software-led innovation. We are rigorous in our capital-allocation process while actively searching for exceptional entrepreneurs to develop scalable, sustainable technologies with breakthrough potential to address serial global challenges.

Product innovation is a critical priority. With the support of a dedicated product and growth operations team, our companies build solutions based on proven agile software development principles, quantitative and qualitative user research, iterative usability design, and extensive A/B testing and experimentation.

Our development teams measure the results of their innovation via increased consumer engagement (eg time spent, long-term retention) and improved customer satisfaction (eg net promoter score).

### Innovating through artificial intelligence

AI is at the heart of much of our innovation. Across the group, we focus on finding new ways to innovate our business platforms, processes, products and services.

### Innovation for a circular economy

We recognise the role of innovators in tackling social and environmental issues, both within our group and in partnerships. Across the group, we encourage investees to forge partnerships that foster innovation and tackle shared societal challenges.

Packaging innovation supports sustainable business. In line with our circular-economy ambitions, iFood is pioneering new forms of sustainable and biodegradable packaging for meal deliveries. In partnership with GrowPack, iFood is injecting thousands of compostable packaging from waste materials into the market, to help restaurants and customers adapt to new sustainable materials.

Our OLX platforms already built a more sustainable world through trade by selling second-hand goods, a pillar of the circular economy. Each year, OLX quantifies its positive impact through an impact report, which details the prevented environmental impact of seven categories (cars, motorcycles, car parts, mobile phones, laptops, TVs and tablets). OLX teams have piloted new ways to fuel circular consumption and inspire the large base of customers to reuse, refurbish and recycle what they have through trade.

## PayU: Using data, AI and ML in the right way

We are committed to using data, AI and ML in a responsible and ethical way. This objective is being supported by our defined governance model and responsible AI frameworks.

PayU's global personal-data governance policy focuses on accountability and responsible use. Backed by appropriate global training and awareness raising, we have created PayU's privacy and security-by-design policy and toolkit to embed robust privacy and security requirements across the business. The team also developed a benchmarking and privacy control engine and worked closely with the Wibmo team to obtain the ISO 27001 and 27701 (privacy) certifications.

In FY23, PayU accelerated the adoption of data and AI across its credit and payments businesses. This is core to running each business, delivering on growth targets and controlling risks:

- » In the **credit business**, PayU (much like other credit companies) relies on data and AI to assess consumers' credit risk before making a lending decision. This includes the permissible use of data provided by third parties, such as credit bureaus, depending on the region.
- » Data and AI are also crucial in other facets of PayU's **lending products and customer experience**. Examples include simplifying customer onboarding when applying for a loan; enhancing customer retention and reducing churn; and determining the need for different lending products and increasing cross-sell of products.

- » In the **payments business**, the rapid acceleration of digital payments due to Covid-19 has increased online fraud as well. Data and AI are used to control fraud losses incurred by PayU and its customers (online merchants and banks). In FY23, we deployed AI models to detect anomalies in transactional patterns for potential fraud alerts. We also supervised ML models to predict fraud conducted by online merchants and others. In India, faced with the rise of unified payments interface as a payment instrument, fraudsters have devised new ways to conduct digital online fraud.
- » PayU also uses data and AI to provide a frictionless **online payment process** for end users. In FY23, we enabled a one-click checkout for non-risky transactions in regions where local regulations do not mandate two-factor authentication.

Given the increased use of data and AI, PayU further improved data governance in FY23. Centralised data warehouses that store, maintain and enable permissible use were created, adhering to data governance regulations and practices (eg localisation). While AI governance regulations and best practices are still evolving across the globe, PayU took further steps in FY23 via limited implementation of the EU's independent high-level expert group on artificial intelligence (EU AI-HLEG) framework in selected AI models incorporating learnings from the internal audit of the framework in FY22. Data and AI governance will remain a foremost priority in coming years.

### Looking ahead

As the pace of innovation accelerates, we will remain focused on finding, developing and applying new ways to achieve our purpose.

Building the evidence base to demonstrate how our technology investments can generate net benefits for the planet and its people is a central strategic objective. Accordingly, we are ramping up our initiatives to communicate this impact to all stakeholders, and to capitalise on opportunities to advocate effectively on the basis of our experience.

In tandem with our sustainability policy and our environmental programme, we will embed processes for supplier selection and screening according to ESG factors. In FY23, our emphasis shifted from risk assessment to embedding ESG criteria in our procurement.

Enhanced environmental disclosure is a key element of our commitment to net zero, and a demonstration of the importance of climate stewardship across the group. The group's commitment to achieve net-zero emissions is embedded in the key performance indicators for our group chief executive and the segment CEOs who report directly to him.

We will continue to make meaningful investments in local communities where our businesses operate, in ways that improve lives by nurturing systemic and sustainable change.

The group is working continuously to increase exposure to financial revenues from sustainable business models while enhancing disclosure and reporting standards across our portfolio. Understanding the environmental and societal impact of our businesses is fundamental to guide investment and decision-making at all levels.

We anticipate that our data-driven sustainability strategy and transparent approach will bring new opportunities for investment, driving innovation and the discovery of breakthrough technologies in years ahead.



Group overview

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## Artificial intelligence

As a global tech business, AI is essential for us. We ensure we develop and deploy it as quickly as possible across the group to support business growth, to innovate, and to improve our competitive ability. And we seek to always do this in the right way – by design, ethically and responsibly.

### Applying AI to improve everyday life

Across the group, we apply data science and AI in numerous ways to add value for customers, partners and the business and to fulfil our purpose. This includes better product recommendation, fraud prevention, content moderation, logistics optimisation and more. We also use AI to develop new products and concepts across our segments, such as content creation and search in Edtech.

### Our guiding principles

The following principles guide how we develop and deploy AI:

- » Deploy AI everywhere where it makes business sense.
- » Develop AI-by-design for innovation in products and services.
- » Develop and deploy AI ethically and responsibly.

### Embedding AI across the group

Led by the Naspers AI team, we are embedding AI across the group. The central team works closely with company AI teams on multiple initiatives. These include organisational changes to support the adoption of AI and data science at scale; talent and leadership development programmes; actively engaging with the global research and development community; adopting machine-learning platforms in engineering; developing deliberate data strategies; and investing in AI-first companies.

Across the group, AI has become part of the fabric of our operations, how we innovate and keep improving. At the scale we currently operate across our core segments, AI is essential. OLX, for example, has developed AI to calculate return on investment (ROI) for marketing costs, a large cost item for Classifieds. AI models are used to attribute ROI to single campaigns, and optimise spending and trade-offs between campaigns. On aggregate, they achieved a 15% reduction of marketing costs for the same marketing effectiveness. iFood has developed similar initiatives to reduce marketing and acquisition costs without impacting effectiveness. Across our segments, companies are mature in their use of AI and increasingly apply deep-tech at scale for business success.

### Developing AI-by-design

We are increasingly focused on AI-by-design – using our technologies and expertise to make operational improvements and to radically change the way we do business. This is about future-proofing and innovating – building AI into the earliest stages and making it core to the process of exploring, designing, developing, deploying and improving platforms, products and services.

Allied to this, we systematically explore emerging technologies and accelerate them across the group, but within the parameters of our risk management processes. The aim is to push these technologies forward through the group while de-risking them – to get more value, faster.

A major recent development in the field is generative AI (GenAI) or systems that can generate new content – or manipulate existing content – based on text instructions. GenAI is relatively new (the first usable models date to 2019) but current capabilities are already of practical use at scale and exceed average human performance at many tasks. We have developed PlusOne, an AI assistant based on GenAI, and made it available across the group companies. With PlusOne, companies can explore and understand the capabilities and limitations of GenAI first-hand. It is particularly valuable for testing use cases and discovering new applications.

The range of possible use cases is vast and includes several workflow automations that increase efficiency and reduce costs. Examples include: to create education content, answer knowledge questions, automate transcriptions and meeting notes, create document summaries, generate and correct code, and generate images for communication. The first set of use cases of GenAI is already in production across our Edtech companies.

### Using AI responsibly

Our models must be robust, so that they operate predictably within known boundaries of reliability. They must be unbiased, so that they do not discriminate, for example on gender. They must be transparent, so that their outputs, for example an AI-based credit decision, can be clearly explained and understood.

We have a framework that proactively includes the social and ethical dimensions of AI in the development process, based on key principles:

- » **Govern:** Anchor AI to core values, ethical guidelines and regulatory constraints, for example specifying principles in developing fair and responsible AI.
- » **Design:** Design for privacy, security, transparency, bias, robustness. For example, engineering training on how to make models more robust and explainable.
- » **Monitor:** Auditing for accountability, bias and cybersecurity, such as adopting tools for bias check as part of model-development practices.
- » **Train:** Prepare and equip our people to take full advantage of AI and new workstyles. This includes upskilling engineering teams on robustness validation as part of the testing process.

We are deploying this framework across the group.

#### Programme statistics

**>500** data scientists now part of the Naspers AI community

**>4 000** software engineers and technical staff who work with the PlusOne AI assistant

### Operationalising ethical and responsible AI

We take an operational approach to ethical and responsible AI, focused on adopting best practices across our data science community. We develop or adopt tools and practices designed to check the quality and representativeness of data, to detect bias in decisions based on the models, and to trace back the cause of bias, among others. We have adopted specific tools for this purpose.

By using PlusOne, we have also identified guardrails and practices that help GenAI models produce helpful and honest responses that are not harmful. These guardrails are continuously evolving and integrated in our technology stack.

We also focus on raising awareness through demonstrations and technical education to ensure these tools are adopted and used effectively.

In FY23, we articulated our statement on ethical AI at Naspers, which describes our approach to using AI across the businesses we invest in. We will also continue associated training for our leaders and technical teams, as summarised below:

- » **Educating leadership on ethical and responsible AI**  
Since 2021, a rolling programme is educating leadership across the group on ethical and responsible AI. Throughout the programme, leaders can see the potential of AI to implement their company's ambitions while developing fair, robust and transparent AI. In this way, ethical and responsible AI becomes an opportunity for positive impact, not just an element of managing risks.
- » **GenAI deep dives for leaders**  
We have designed and introduced a new rolling programme of deep dives into GenAI. They map the evolution of the field, educate and create awareness of the potential and limitations of Large Language Models. We regularly offer deep dives into senior staff of group companies.
- » **Training engineers in AI**  
We offer highly specialised training on several AI themes for engineers and product managers, including model deployment, ML pipelines, ML operations and natural language processing. A new addition is a series of tutorials and practical education modules on GenAI, such as prompting or training language models.

### Providing guidelines and sharing best practice

We have established internal privacy guidelines for our AI teams to ensure compliance with the requirements of the EU's General Data Protection Regulation (GDPR). In addition, our AI ethics working group meets monthly to manage workstreams designed to advance ethical and responsible AI across the group and help integrate ethics best practices into projects.



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**Advancing our AI knowledge and capabilities**

Throughout the year, we continued to develop our community of data scientists across the group. The Naspers AI community now includes over 500 data science and AI engineers. This is a valuable platform for growing and sharing knowledge and capabilities across the group. We organise technical and scientific workshops for this community, connect data scientists working on similar initiatives, share practices, tools and lessons learnt across businesses. In November 2022, we organised the third global Prosus AI Marketplace For Knowledge. This three-day event for the AI community enabled us to identify and share areas of excellence and best practice. The focus of this edition was on GenAI applications for the group.

**Investing in seed-stage AI companies**

We continue to monitor seed-stage AI companies pioneering AI-first innovations in areas such as robotics, language and vision. We collaborate with the Creative Destruction Lab, a global network of universities that are accelerators for these early-stage companies. We have invested in four AI-native businesses so far. By taking small stakes in companies exploring these and other advances, we are able to buy into early-stage innovation, extend our network of expertise, advance our knowledge, and see the business potential for our group that much sooner. Getting in early enables us to both accelerate and de-risk our AI innovation.

**Partnering for positive impact**

We partnered with Amsterdam Data Science, a network of academia and industry that has established a strong data science and AI ecosystem in Amsterdam. Aside from supporting the organisation, our contribution includes organising knowledge-sharing events such as workshops and meet-ups.

We engage with several data-science-for-social-good initiatives, dedicated to adopting AI in projects with a positive social impact. We contributed to academic institutions and non-profit organisations for developing data-science-for-social-good education schools, such as Deep Learning Indaba – the African ML and AI community – and Data Science for Social Good (DSSG) – the summer school at Carnegie Mellon University. DSSG is designed to train promising young scientists to apply their skills to problems for a positive social impact, for example reducing unemployment, increasing access to education and improving environmental quality in urban areas.

**Looking forward**

We will continue to develop and deploy AI to drive improvements throughout the group. The opportunities are endless, not least because of the focused improvement at the heart of AI and ML, and new options offered by GenAI. As models are deployed more widely as they progressively learn and evolve, they tend to get better in their understanding and decisions, with the critical proviso that they are designed and developed ethically and responsibly for positive impact.

This remains our focus. AI is core to what we do and how we do it, and we are determined to use it as widely and as well as possible – making better and better use of AI, to improve everyday life for billions of people around the world.

**Cyber-resilience**



We are committed to ensuring our businesses are sustainable and resilient, so that they can keep operating long term and recover fast if disrupted. This is vital for our customers, shareholders, for the group, and for the businesses themselves.

Accordingly, we focus on two key areas of cyber-resilience:

- » We implement and maintain strong cybersecurity, so attacks are thwarted and any breaches quickly tackled with the minimum impact.
- » We enhance the resilience of our platforms and systems, so they are available 24/7, provide consistent levels of service and give businesses the scope to scale and innovate as they like.

**Platforms**

Platforms are our consumer products – without them, none of our businesses can operate. These platforms are often complex, handle millions of transactions and grow rapidly with our businesses.

Our businesses operate in fiercely competitive industries and markets, changing regulatory requirements, and adaptive attackers requiring continuous innovation to thrive. Technology sits at the heart of their growth.

**Business IT**

Our businesses use technology to run their internal processes. This technology is often not customer-facing and the primary users are our employees. Output from these business IT systems is used for operational and strategic decision-making, monitoring performance, managing risks, and preparing information for external stakeholders. We work with internal departments to ensure these systems are secure and reliable.

We focus on four key areas to build and maintain sustainable and resilient platforms and systems:

- » Availability of the platforms.
- » Quality and innovation of the platforms.
- » Security and safety of the platforms.
- » Security and reliability of business IT.

We encourage all subsidiaries to assess and report on their risks across these four areas, so we can gain a clear, coherent view and in turn analyse, respond and advise effectively.

At group level, we now report against these areas as part of our ongoing risk management.



### Our cybersecurity policy

The board sets our group cybersecurity policy, which has four key parts: good governance; good protection; good detection; and good response. This is the backbone of our robust approach. In line with the governance framework, we cascade the policy through the segments to the underlying businesses, giving them ultimate responsibility for ensuring they implement strong cybersecurity in line with their own operations and challenges. For example, we expect each business to have the right level of incident management and crisis management to ensure a good response to any security incident.

### Supporting from the centre

Our central cybersecurity team provides expert help and support to the segments and businesses. As part of our risk and audit function, the team's approach is to help develop a competent, agile community of cyber and risk professionals, based on guiding principles:

- » Cyber is an enabler, not a blocker.
- » Help manage risk, not spread fear, uncertainty and doubt.
- » Every employee is a cyber-warrior.

Every month, the head of cyber hosts a round-table discussion with the security heads of the subsidiary companies. It is an opportunity to share updates at a group level and for the business leads to discuss key initiatives and issues, such as the nature of the latest cyberthreats or developments on the dark web.

### Creating a strong cybercommunity

As a decentralised group, it is important that we cultivate a strong cybercommunity. Accordingly, we have established an online workspace for security professionals to stay in touch, discuss trends and risks, and co-ordinate responses to incidents. Other initiatives include an online cyber-academy where the community gets together and shares insights and best practice. We also host regional cyberlabs, which are two-day events where security teams from subsidiaries in the region gather to discuss emerging risks and common response strategies. In FY23, we had two cyberlabs, in Brazil and India.

### Assessing cyber-resilience

The cybersecurity team undertook 49 advisory and assurance projects in FY23 to ensure cybersecurity and technology risks are managed by our businesses.

Our advisory projects for group companies include hiring hackers to break in (ethical hacks), forensic work to investigate breaches, and cloud assessments to improve cloud set-up and solutions.

We also conduct formal internal audits – independent assessments of a company's security and resilience for assurance.

### Governance and reporting

The cybersecurity team reports to the risk and audit committees four times per year, sharing updates across the five technology risk categories. On two occasions, it presents an in-depth report on how well the businesses are doing against the policy.

Reports to the risk committee include a comprehensive overview, with key risks, greatest challenges and any major incidents. This is also where any major issues are escalated. Formal audit reports are provided to the audit committee.

In addition, every quarter, the head of cyber meets with the head of risk and audit and group CFO to discuss the most important cybersecurity and technology issues, where to focus in months ahead and any notable incidents.

Last year, we introduced risk dashboards. They enable the group to monitor how quickly and effectively businesses are addressing and resolving risks identified by the central team. This in turn forms part of the report provided to the risk and audit committees, per segment and per business.

### Key cyber-resilience services

Our central cybersecurity team provides a range of services to subsidiaries. These include risk-driven process reviews; data-driven deep dives; security testing; resilience exercises; and managed services.

### Focusing on critical issues

Throughout the year, the team helped the business focus on two critical issues:

- » Secure remote working. As people continue to work from home post pandemic, making sure they can do so securely remains a priority. As such, end-point security remains a key part of the cyber-resilience agenda, and we work with businesses to check that this is in place and robust.
- » Ransomware prevention and response preparation. This included updating our cybersecurity policy with a ransomware addendum; creating a group playbook on how we would respond to a ransomware attack; and undertaking ransomware simulations, so we could further refine our resilience to this growing threat.

In FY23, we performed internal audits at multiple subsidiaries to ensure they have sufficient resilience against a ransomware attack.

### Key performance indicators

At group level, we focus on two cyber-resilience key performance indicators (KPIs):

- » **Breaches:** Our procedure requires subsidiaries to notify us about numerous categories of notable incidents (cyber-attack or other operational failures of the platforms). We report to our risk committee about these when they are material, in particular noting the nature of incidents, risk of financial losses, and whether notifications to regulators or investigative bodies have been made. We make recommendations for corrective actions where appropriate. Similar to FY22, we had no breaches of subsidiaries that had a material operational or financial impact above US\$10m in FY23.
- » **Awareness:** Every new group function employee now has security awareness as part of their induction, and we do a periodic phishing simulation at corporate. We saw good results from the last rounds of phishing simulations.

### Looking forward

We will continue ensuring the availability, quality, security and safety of the platforms and systems our businesses rely on. Ransomware remains a significant threat and we will increase our focus on that risk.

We are also closely monitoring and researching new risks coming from GenAI, both its use in launching new types of cyber-attacks, and in helping us to quickly identify and respond to an attack.

We will continue investing in the cybercommunity and create opportunities for subsidiaries to collaborate.

### Programme statistics

Cybersecurity team undertakes around <b>49</b> advisory and assurance projects each year	We executed <b>2</b> advanced persistent threats (APTs)
We executed <b>7</b> red team exercises	We did <b>4</b> pentests



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## Data privacy

### Our commitment

We recognise that privacy is an important value and an essential element of public trust. At Naspers, we strive to be a trusted company and, as a responsible investor, we expect each of our businesses to adhere to our group policy on data privacy governance.

Public trust is a precondition to achieving our purpose to improve everyday life for billions of people through technology. Data privacy is also a material domain for our group in support of our sustainability initiatives.

### Data privacy principles at Naspers

#### 1 Notice

We offer appropriate notice about our data privacy practices.

#### 2 Individual control

We honour data subjects' choices about their personal data within the bounds of technical feasibility and reasonability.

#### 3 Respect for context

We recognise that data subjects' expectations about fair and ethical use of their personal data are informed by the context in which their data was first collected.

#### 4 Limited sharing

We limit unnecessary personal data sharing with third parties.

#### 5 Retention

We retain personal data only for as long as we need it.

#### 6 Security

We ensure appropriate security.

#### 7 Governments

We engage with governments responsibly.

### Groupwide policy

Our policy on data privacy governance sets out responsibilities, principles and our programmatic approach to ensuring data privacy is implemented in each company of the group. It is designed to define and document how data privacy is managed; promote best practice; accommodate the different business models, resources, culture and legal requirements across the group; and support trust in our businesses' products and services. We review this policy each year.

For more information refer to our website at [www.naspers.com/privacy](http://www.naspers.com/privacy).



### Clear accountability

We give clear accountability to individual businesses. Each business is directly responsible for managing its data privacy programme. This responsibility rests ultimately with the CEO of each business – they lead in implementing the group's policy and are directly accountable for data protection programmes and privacy standards in their organisations. This approach to data privacy aligns with our model of decentralised governance and broader belief in encouraging great leaders and businesses to excel. We strive to foster a culture of data privacy and look to businesses to ensure privacy by design – where privacy becomes part of the fabric of day-to-day work rather than an add-on.

The key inputs for ensuring robust data privacy across the group are summarised below:

### Data privacy principles

Widely recognised internationally and benchmarked to fair information privacy principles, the seven data privacy principles are guidelines for the responsible use of data. Critically, they are both universal and able to be applied to the different businesses in the group – from established global players to start-ups in jurisdictions that may not yet have data privacy laws.

### Key elements of data privacy programme

To help businesses put the principles into practice, our group policy sets out seven key elements of a data privacy programme and ensures our core data privacy commitment and approach are followed in ways that really work for our businesses, benefiting each company and the group as a whole. It also ensures that businesses comply with applicable data protection laws, such as General Data Protection Regulation (GDPR) in Europe, General Personal Data Protection Law (LGPD) in Brazil, and Protection of Personal Information Act (POPIA) in South Africa, and lays the groundwork for strong technical competencies to comply with anticipated requirements of future digital laws, such as those in India.

This is our programmatic approach to ensuring robust data privacy across the group.

### Supporting and monitoring

The group's data privacy office supports and monitors the businesses. This includes guidance on implementing the data privacy programme; training programmes that develop future privacy leaders; and advice on any data privacy implications of mergers and acquisitions. In turn, each quarter, companies report to the group privacy office on progress in developing their privacy programmes as well as incidents and interactions with government authorities, customers and their partners. In addition, we have implemented a bespoke Naspers privacy maturity model that allows each company to monitor the maturity of their privacy programmes across 17 domains, focus on key areas for improvements, and report results in a consistent manner.

Our intra-group data transfer agreement is designed to streamline how our companies navigate the complexities and risks involved in international data transfers among affiliated companies, to ensure they comply with the latest regulations in this area.

### Advocacy on privacy and related digital legislation

We closely follow developments in data protection, data strategy, AI ethics and other key issues relevant to digital platforms. We ensure our companies stay at the forefront of discussions that impact the use of data in their businesses. This includes advocacy and thought-leadership work in support of relevant legislation in diverse jurisdictions.

### Governance and reporting

The board has direct oversight of data privacy, including subsidiaries. The group encourages associates and investees to participate in the data privacy programme.

Twice a year, the group data privacy office submits a detailed report to the risk and audit committees. It aggregates the group risk assessment together with recommendations for focus areas in the segments, and includes detailed segment-level reporting, based on the Naspers privacy maturity model. In addition, our group chief executive directly reviews the data privacy programme outputs each year.

### Three KPIs

To monitor the data privacy outputs that flow from our companies in line with the inputs we provide as a group, we have set three KPIs, specifically around privacy workforce; auditing; and maturity measurement.

### Investing in expertise

We require that companies appoint their own privacy leads. We track the level of investment in data protection officers, deputies, regional privacy leads, privacy managers and other experts. The growth of this privacy network drives the strength of privacy programmes in our subsidiaries. This enables our businesses to address the increased requirements stemming from digital regulation and pending data protection legislation (for instance, in India). In our subsidiaries, we have a diverse team of 34 (FY22: 33) data privacy roles in nine jurisdictions across the globe.

We also invest in data privacy skills by enabling our experts to gain globally recognised privacy certifications offered by the International Association of Privacy Professionals (IAPP), as part of our group membership (56 certified privacy professionals in the group).

India gets privacy-ready with the Naspers privacy governance academy – this year we inaugurated a training curriculum for our India investees, including an intensive privacy management training programme over seven weeks, with more than 40 participants.

We invest in automation by maintaining a group-level licence for industry-leading privacy management software that allows companies to automate many of the privacy reviews undertaken across the group. We also offer multiple privacy training opportunities and forums for engagement. In MyAcademy, we host over 30 modules of diversified privacy training content in different languages in a dedicated privacy learning hub.

### Auditing companies

As a group, we require that our companies are periodically audited for data-related matters. We routinely conduct internal audits that focus on aspects of data governance as part of our overall risk management. Guided by the privacy team, our internal audit team schedules and performs various types of privacy controls, verifications and audits on subsidiaries. These audits are a valuable way to provide both assurance and guidance.

During the year, we conducted 38 (FY22: 35) internal audits with data governance components, assessing issues specific to privacy, software development life cycle, security, data management and broader risk management.





**Assessment of maturity and goal setting – Naspers privacy maturity model**

This year, all our subsidiaries completed two cycles of assessment across 17 data privacy domains set out in a bespoke Naspers privacy maturity model. Each company has selected at least two specific goals to improve maturity over the year, based on what was most pertinent to its business model, size, culture and jurisdiction. All subsidiaries reported to the group privacy office on levels of maturity across these domains and progress of selected focus areas by the end of the review period.

Following a reassessment process, new baselines were set for the coming year and the board has been briefed about results for this period. It is notable that, after our first review in FY23, developments in the macro economy, which resulted in changes to workforce levels and deployment of financial resources, have on occasion impacted the ability of diverse businesses to achieve their goals in digital governance. However, many of the companies advanced their programmes and improved maturity accordingly in targeted domains.

This review has enabled us to complete internal benchmarking and set company-specific goals, as well as identify broader trends. As a result, we can see where the challenges lie and adapt our support and guidance accordingly, to keep improving as a group.

Is data minimisation the new green? One of our companies, OLX Group, has actively sought to identify, assess and delete duplicative or unnecessary data sets to advance its sustainability goals, reduce costs and minimise privacy and security risks.

**Looking forward**

We will continue to deploy and strengthen the Naspers maturity model. This is a valuable tool that helps our subsidiaries focus their resources on material privacy governance domains that impact key stakeholders, particularly consumers and employees. It also enables more streamlined risk assessment, monitoring and reporting.

Data privacy risks remain a key focus area for the group, due to increased enforcement, new regulations and security risks. We are working closely with the Naspers AI team to ensure we build and deploy AI in an ethical, responsible and compliant way, aligned with the Naspers formal approach to AI and ethics.

While challenges remain, we are committed to a strong groupwide data privacy programme that ultimately benefits the billions of users of our companies' services and improves their everyday lives.

**Key elements of our data privacy programme**

**1 Executive buy-in**

Senior management should emphasise the importance of data privacy and its relationship to trust, brand, growth, risk and compliance to their teams. The chief executive should designate a data protection lead or team responsible for data protection.

**2 Know your data**

The business should know what personal data it holds and for what purposes it processes that data.

**3 Policy setting**

Certain policy documents should be adopted to support implementation of privacy principles at a minimum:

- » Consumer privacy policy
- » HR privacy policy
- » Security policy
- » Data breach/incident response plan

**4 Training employees**

Privacy training that informs employees about company policies, the principles, and how their roles are impacted by data privacy requirements, should be part of onboarding and/or annual training.

**5 Vendor and third-party management**

Where personal data sharing is permitted, third parties should be appropriately scrutinised.

We require confidentiality and/or data-processing agreements to ensure an adequate level of protection for any data shared. We audit vendors on risk-based criteria.

**6 Legal compliance**

Legal advisers should support the business by helping to ensure that applicable laws and their specific requirements are met.

**7 Reporting**

Each business should be able to demonstrate compliance with the principles, data privacy programme elements, and applicable data protection laws.

**Business culture, ethics and integrity**

**Creating long-term value**

The board ensures a culture of sound business ethics and conduct, aimed at long-term value creation that underpins the group's activities as a responsible corporate citizen. This includes adopting values and a code of business ethics and conduct (the code), leading by example and monitoring implementation.

**Sharing a strong culture**

Our group values guide our culture:

- » We build
- » We deliver
- » We're responsible
- » We value each other.

These values, and the code, are the guiding principles for our actions as an organisation.

**Our commitment to ethics and compliance**

We are committed to conducting business in compliance with the law and behaving ethically.

Failing to comply with laws and regulations, or the codes and standards we have adopted, could expose the group to legal liability and affect our impact, reputation, business, financial condition and the communities in which we operate. We strive to apply laws and rules, codes and standards with integrity and regard for ethical business practices in a way that supports good corporate citizenship.

Honesty and integrity are the foundations of our reputation and for the trust of our stakeholders: it is crucial for us to guard that reputation and preserve that trust.

**Roles and responsibilities**

The board sets the tone at the top, guiding business values and promoting the culture of sound ethics and compliance. The board's risk, audit, human resources and remuneration, and social, ethics and sustainability committees exercise oversight of ethics and compliance and the management of related risks across the group.

The board has approved all our ethics and compliance policies, including the code and the speak up policy. The code sets out what we as a group expect from all employees and stakeholders and the speak up policy encourages and provides channels for individuals to report actual, or potential, breaches of the code, other group policies or laws and regulations.

Senior management is responsible for creating a culture aimed at long-term sustainable value creation and ensuring ethical business standards are integrated into strategies and operations.

Group ethics and compliance is responsible for executing effective and demonstrable ethics and compliance risk management, specifically relating to the code, anti-bribery and anti-corruption, competition/antitrust, sanctions and export controls, and anti-money-laundering and counter-terrorism financing.

In addition, group ethics and compliance is responsible for designing and overseeing the speak up programme across the group, including the group policy, monitoring use of speak up services and ensuring reports are dealt with appropriately.

**Approach**

Group ethics and compliance has developed and communicated an ethics and compliance framework of minimum standards required for subsidiary businesses. Subsidiaries are required to implement an ethics and compliance programme that is fit-for-purpose and takes account of ethics and compliance risks specific to their business.

To ensure proper design and implementation of these programmes at subsidiary level, ethics and compliance officers have been appointed across the group. At year-end, there were four ethics and compliance officers at corporate level and 97 at subsidiary level (including dedicated staff and those with combined roles).

Ethics and compliance officers at subsidiary level report to group ethics and compliance on the design and implementation of their programmes. Group ethics and compliance monitors the design and implementation of these programmes through the reporting process as well as regular touchpoints with the subsidiaries. Group ethics and compliance reports to the group's board committees biannually.

As part of our ethics and compliance culture, we encourage employees and third parties to speak up if they have concerns, using various available options. Concerns can be raised locally via line managers, human resources and ethics and compliance officers or through dedicated speak up services available online, via a telephone hotline or by email, 24/7 in multiple languages. Speak up services allow for confidential and, if legally permitted, anonymous reporting. Retaliation for speaking up is not tolerated and will be treated as a violation of our code.

The code and speak up policy are available in multiple languages and posted on our website.



**Progress in FY23**

In FY23, we updated and enhanced a number of key group policies, including the group’s sanctions and export controls policy. We also issued policy-related guidance for our segments and businesses. We continued implementing the code and speak up programme across the group, with training and awareness campaigns.

We refreshed and rolled out our core ethics and compliance training to all group employees, with a 100% completion rate.

Risk assessments and annual plans were completed for each segment, identifying key risks and initiatives for the year ahead, informed by the risk assessment.

In FY23, 598 speak up cases were logged across the group (including whistleblowing cases). Of these:

- » 253 were substantiated (fully or partially) and remediated, as required
- » 273 were not substantiated, and
- » 72 are still under investigation.

Our subsidiaries continued to make good progress in implementing and adapting the ethics and compliance framework in their businesses.

**Looking forward**

We continue to develop our ethics and compliance strategy to incorporate observations from our monitoring activities, emerging risks, regulatory changes and best practices. We recognise the importance of ensuring that a strong ethics and compliance base is embedded in our subsidiaries, while allowing for growth and change.

Over the next year, we will continue to drive implementation of the ethics and compliance framework in subsidiaries. We will review and enhance core policies to meet the evolving risks and regulatory landscape applicable to our businesses. We will monitor progress against subsidiary annual plans and measure the maturity of business programmes. Our subsidiary plans cover enhanced governance and risk mapping, policy improvements, training and awareness, monitoring and testing and other risk and business-specific measures.

We will continue to improve oversight of ethics and compliance, and ensure that, as a group, we address the relevant ethical issues by taking the right actions and developing mitigation and prevention strategies.

**Programme statistics**

**101** ethics and compliance officers appointed across the group

**100%** of corporate employees completed our ethics and compliance e-learning

**598** speak up cases logged across the group

**Upholding human rights**

Human rights give us the freedom to choose how we live, how we express ourselves, and the freedom of political affiliation. They are fundamental to our ability to meet our basic needs, such as food, housing and education. Conflict, poverty, climate change, inadequate access to education and inequitable access to resources are among the underlying issues that contribute to a world where human rights continue to be challenged in both mature and emerging economies. The global scale of the issue has been highlighted by growing discussion on systemic racism and violence following the rise of the Black Lives Matter movement. In turn, public dialogue has increased on broader topics of diversity, equity and inclusion.

**Our commitment**

As an employer, investor and operator, our actions touch the lives of millions of people around the world. By setting appropriate standards at group level, we can create far-reaching positive impact. Therefore, our approach to human rights begins with our own operations and extends through our value chain.

We operate in diverse geographies, each with its own historical legacies, social demographic configurations and populations. As a signatory to the UN Global Compact, our approach to human rights sets out standards and principles that can be applied to the specific issues and challenges relevant to the business models and operating contexts of our companies.

**Human rights in our operations**

Our approach to human rights begins with the area where we have the most influence: our own operations. As an employer, we respect the fundamental dignity of our workforce and are committed to providing a respectful, safe and secure workplace that is free from any form of human rights abuse. This commitment extends to the board and everyone who works in the group.

Our human rights statement is available on our website and is communicated to internal and external stakeholders. It describes our approach to topics, including remuneration, dignity at work, privacy and employee confidentiality, forced labour, and health and safety. It also details the reporting and governance framework in place to uphold these standards. The human rights statement is overseen by the board, with the assistance of the social, ethics and sustainability committee and the human resources and remuneration committee. Following publication of the group human rights statement, 100% of subsidiaries have now adopted and/or published their own human rights statement.

**Companies we invest in**

During our capital-allocation and investment process, we incorporate ESG criteria, including human rights, into our decision-making. ESG screening is built into our pre-investment due diligence process and we vet all new investments for potential human rights violations.

Once onboarded into our portfolio, we manage for performance and expect our subsidiaries to apply high standards on ESG. Since 2021, all subsidiaries have adopted our human rights statement and are required to uphold this standard, along with applicable laws and regulations. We track this performance as part of our third-party ESG performance assessment, which maps how each company addresses ESG topics, including human rights. We are committed to complying with applicable laws and to respecting internationally recognised human rights, wherever we operate. Guided by the UN Global Compact, in the rare situation that national law conflicts with international standards, we expect compliance with national law as the bare minimum and seek ways to engage with the company to promote principles of internationally recognised human rights.

We invest in diverse business segments, each with its own human capital value chain. As part of the pre-investment process, our investment teams include ‘potential human rights violations’ in their broader due diligence of the non-financial qualifiers for a company. Businesses such as the Payments and Fintech, and Edtech companies have a small group of employees who are mostly highly skilled technology or finance specialists. Other segments such as Etail and Food Delivery have a more extended footprint of on-demand platform workers in their value chain. As a result, each company’s approach to human rights is influenced by its operating context and business model, while maintaining the underlying principles. For example, food-delivery businesses work with a large pool of drivers who are, in many cases, also external contractors. In this case, we have introduced a groupwide on-demand platform worker statement for subsidiaries, which outlines principles on pay, social protection, fair working conditions and flexibility.

**Human rights in our supply chain**

We recognise our opportunity to influence our supply-chain partners through our supplier and purchase decisions. As such, we require a commitment to minimum human rights standards that are compatible with our own commitments from companies seeking to qualify as Naspers suppliers.

For the past three years, we have used a third-party supplier assessment tool. This provides a broad view of our supply-chain risk across four risk areas identified by the UN Global Compact, including human rights. This screening system helps identify individual risks and allows us to continuously assess and improve the profile of our vendor ecosystem.



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**Building supplier sustainability**

We are committed to building a more sustainable supply chain through our purchase decisions.

At corporate level, we have implemented an integrated vendor-screening tool. We have screened all our vendors across a range of material issues to identify any areas of concern. The tool will be continuously deployed to assess our current and future portfolio of vendors. Our board has set the guiding business values and the ethical climate in our code of business ethics and conduct which sets out what we expect from all our employees, stakeholders and potential investment opportunities. Building on this code, our supplier code of conduct outlines the principles and guidelines we expect our suppliers to follow, to remain a trusted business partner. It asks our vendors to live up to the highest standards on social themes and take action to reduce their environmental impact. The supplier code governs our commercial engagements with suppliers and is made part of our contractual relationships. It is expected that this will be published in FY24.

**Supplier screening**

Before we engage with a supplier, we screen the organisation for its historical conduct on several elements like financial conduct, and incidents related to human rights and environmental management. Once this screening proves satisfactory and all red flags are addressed sufficiently, we can onboard or continue working with the supplier.

**Community investment**

Naspers has a deep-rooted history in South Africa. We are proud of our home country and committed to improving everyday life for its people, as we do for billions of people around the world, through technology.

In its 2021 annual report on South Africa, The United Nations Development Programme placed ‘youth unemployment and the digital divide’ at the top of a list of the country’s greatest development challenges. At Naspers, we aim to promote increased digital inclusion for South Africans, particularly historically disadvantaged communities, women, and people living with disabilities. This focus feeds naturally into addressing youth unemployment.

Our purpose of leveraging technology to transform daily life informs our strategy of investing in programmes that promote greater access to higher education and skills development, enabling increased participation in the South African economy. Recognising that skills development and training are not enough, we also support job-placement programmes and micro-enterprise acceleration to improve the livelihoods of talented South African job seekers and entrepreneurs.

**Naspers bursaries**

Education is a key tenet of South Africa’s constitution and its national development plan. Concerningly, a large proportion of the population who do reach higher education drop out primarily due to the associated costs and numerous social challenges.

It is an unfortunate reality that poverty and inequality, together with gender and disabilities, continue to hamper access to higher education or skills training, leaving far too many young people condemned to unemployment. Naspers aims to contribute to redressing this societal challenge.

We launched our Naspers bursaries programme in 2021 to help students obtain degrees in high-demand fields such as STEM (science, technology, engineering and mathematics), commerce and business science. Our bursary recruitment platform reaches beyond urban centres to find academically and financially deserving students in disadvantaged communities across the country who lack the means to fund their studies.

At the end of FY22, we had granted 82 bursaries to qualifying candidates from first year to honours level to study at our partner universities. In addition to tuition fees, the bursaries fund accommodation, meals, prescribed textbooks, a living allowance for the duration of the degree, as well as a laptop computer (for first-year students only).

Adjusting to university life can be challenging, especially for students from disadvantaged backgrounds. This is reflected in high drop-out rates among these students. To help students reach graduation and because we believe that each individual has different needs, we partner with Tomorrow Trust. This non-profit organisation has a long record of supporting students’ psychosocial health through individual counselling, mentorship, and monthly workshops on various topics to enable their success. Tomorrow Trust also provides career guidance, work-readiness training and a mentorship programme for the duration of each bursary.

In the 2022 academic year, 24 bursars graduated with honours degrees – 11 in science, 11 in commerce, one in engineering and one in information technology.

We contribute to SDG 4 through the Naspers bursaries programme.

**Naspers Labs**

We established Naspers Labs to provide training for in-demand digital skills among young South Africans (aged 18 to 34) who have relevant post-matric qualifications but are unable to find employment. As part of our commitment to advancing digital inclusion, Naspers Labs particularly focuses on recruiting marginalised groups. As a result, 65% of the beneficiaries of these programmes are young women and 4% are young people living with disabilities.

We believe that communities benefit when local businesses bloom. Equally, although conditions may vary, we are convinced that local action by local companies is key to addressing societal challenges. Naspers Labs is run in collaboration with local implementing partners, harnessing their expertise to deliver in-demand digital skills capabilities, work-experience exposure, work-readiness training, job-placement support and entrepreneurship acceleration. Naspers Labs programmes are conducted virtually and, where necessary, we provide young people with laptops, tablets and data to access online training content.

To date, Naspers Labs has prepared 3 956 youth to become software developers, cloud engineers, cybersecurity technicians, data analysts, desktop technicians, data scientists, web developers and robotics specialists, among others. Thanks to our extensive partner networks – including Afrika Tikkun Services, GirlCode, and Esinam – Naspers Labs has to date placed 3 920 young people in tech and tech-enabled jobs.

Naspers Labs is also a strong proponent of enterprise acceleration. As part of our total R235m investment in this programme, we have provided business support (incubation, acceleration and market access) to 33 young entrepreneurs, enabling them to improve their businesses to become self-sustaining, leverage technology and grow.

We believe that through our social impact initiatives, Naspers is contributing to South Africa’s long-term growth and success by accelerating digital inclusion, educating tomorrow’s tech talents, facilitating employment for historically underserved members of society and supporting new tech-led and tech-enabled start-ups.



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## Managing our environmental impact

Our environmental impact can affect our reputation, regulatory compliance, and operational efficiency, which in turn can impact our financial performance. As such, measuring, managing and reporting environmental impact is crucial for us to make informed decisions and to ensure our performance is aligned with our values and goals.

Our environmental sustainability programme sets out our approach to defining, measuring, and managing our environmental impacts of our group. We have created this document for all our stakeholders to provide a comprehensive view of our material impact on the planet and to outline how we address risks and capitalise on opportunities.

Climate action is listed as a key priority by stakeholders in our materiality survey. As an investor, we are ideally positioned to play an active role in the transition to a low-carbon economy. We focus our climate action on three areas:

- » Our own corporate operations
- » Our corporate supply chain
- » Our investment portfolio.

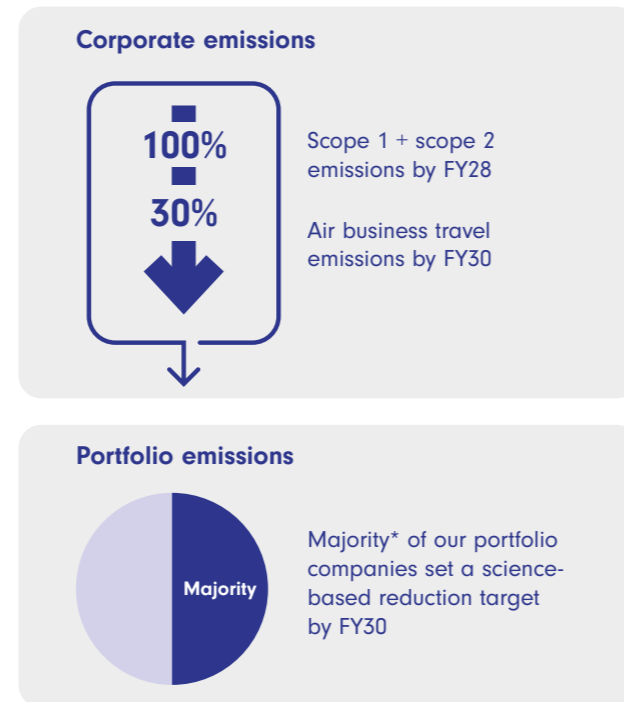
Our dedication to climate action is reflected in our ambitious reduction and portfolio engagement targets, and we believe our climate and environment programmes serve the long-term interests of communities where we operate.

### Our science-based commitments

In FY23, we worked on building a real-world climate transition plan that was both relevant and practical in the context of our diversified holdings and group structure. We developed our targets by applying the Science-based Targets Initiative's (SBTi) guidance for investors, which best matches our diverse and dynamic portfolio of investments. We are committed to a climate journey aligned with the Paris Agreement to limit global warming to 1.5°C.

The targets we have developed shape our absolute reduction pathway for corporate emissions (scope 1, 2 and 3) as well as multiyear engagement with our portfolio companies to put their businesses on a net-zero pathway by developing their own science-based targets, a so-called portfolio coverage target. Applying a portfolio coverage metric of at least 50% of invested capital, we expect and encourage the majority of our subsidiaries to set science-based targets by FY30.

### Our science-based targets



\* This is measured by invested capital.

### Decarbonisation pathway for our corporate operations

In FY23, we implemented all necessary measures to ensure we reach our target to reduce scope 1 and 2 emissions from our operations (which include Naspers and Prosus corporate offices) to zero. This target was a key metric in our chief executive and CFO's short-term incentives, as detailed in the remuneration report. For our scope 1 reductions, we implemented a programme to dispose all internal combustion engine vehicles from our corporate office's asset register. For our scope 2 reductions, we implemented three core actions, depending on the operating context of the office space. (1) Where possible, we engaged with our leasing agency to install on-site solar panels; (2) where available on the grid, we procured green energy; and (3) for all remaining energy consumption, we procured equivalent renewable-energy certificates. Going forward, it is our intention to continue making further progress on this pathway and increasing the ratio of green-energy procurement to renewable-energy certificates.

Emissions from business travel are also a priority (scope 3, category 6). Our target is to reduce emissions from flight-based business travel by 30% by FY30. In FY23, we onboarded a new travel agent and began using a travel management tool that includes GHG emission calculations, giving employees valuable information to make sustainable travel choices. In addition to reducing emissions from business travel, we continue to invest in sustainable aviation fuel. This short-term solution for decarbonising air travel supports the long-term goal of developing a low-carbon pathway for air travel.

### Being a force for good

#### Distributed renewable-energy credits (D-RECs)

Naspers, through Prosus, has committed to buying 3GWh of D-RECs from South Pole between 2022 and 2025, delivering 1GWh per year. This transaction – one of the first of its kind – will provide much-needed capital to help establish transformative renewable-energy projects that displace carbon-intensive energy and give rural communities access to energy. The deal was announced at the United Nations Climate Change Conference COP27 in Sharm el-Sheikh, Egypt.

By purchasing D-RECs, Prosus is providing climate finance for renewable-energy projects that displace polluting off-grid energy generation, such as diesel generators and energy from some of the most carbon-intensive grids in the world.

D-RECs extend the impact of renewable-energy certificates (RECs) – a widely used market instrument – to smaller projects with limited connection to the grid and/or cannot easily access financing. Renewable-energy solutions made viable by D-RECs, like solar mini-grids, deliver clean energy to irrigation systems, healthcare facilities, schools and homes. By improving critical services for communities, the tremendous development potential of D-RECs contribute to UN SDGs on health, food security, education and helping to fight climate change.

### Naspers and portfolio companies' scope 1, 2 and 3 emissions<sup>1</sup>

#### Naspers corporate office:

	tCO <sub>2</sub> e*
<b>Scope 1</b> Emissions from direct operations (use of fossil fuels and refrigerants)	6
<b>Scope 2</b> Emissions from purchased electricity (market-based)	500
<b>Scope 3</b> Emissions from indirect sources (purchased goods and services)	6 929
<b>Scope 3</b> Emissions from indirect sources (air travel)	422

#### Portfolio companies:

##### Media24

Scope 1	Emissions from use of fossil fuel	1 485
	Emissions from use of refrigerants	0
	<b>Total scope 1</b>	<b>1 485</b>
Scope 2	Emissions from purchased electricity (market-based)	6 125

##### Takealot

Scope 1	Emissions from use of fossil fuel	16 163
	Emissions from use of refrigerants	0
	<b>Total scope 1</b>	<b>16 163</b>
Scope 2	Emissions from purchased electricity (market-based)	8 401



Prosus corporate offices<sup>2</sup>:

		tCO <sub>2</sub> e*
<b>Scope 1</b>	Emissions from direct operations (use of fossil fuels and refrigerants)	16
<b>Scope 2</b>	Emissions from purchased electricity (market-based)	67
<b>Scope 3</b>	Emissions from indirect sources (purchased goods and services)	3 848
<b>Scope 3</b>	Emissions from indirect sources (air travel)	2 134
<b>OLX</b>		
Scope 1	Emissions from use of fossil fuel	688
	Emissions from use of refrigerants	0
	Total scope 1	688
Scope 2	Emissions from purchased electricity (market-based)	3 249
<b>Movile</b>		
Scope 1	Emissions from use of fossil fuel	0
	Emissions from use of refrigerants	0
	Total scope 1	0
Scope 2	Emissions from purchased electricity (market-based)	55
<b>iFood</b>		
Scope 1	Emissions from use of fossil fuel	1
	Emissions from use of refrigerants	0
	Total scope 1	1
Scope 2	Emissions from purchased electricity (market-based)	524
<b>eMAG</b>		
Scope 1	Emissions from use of fossil fuel	12 236
	Emissions from use of refrigerants	366
	Total scope 1	12 602
Scope 2	Emissions from purchased electricity (market-based)	2 686
<b>PayU</b>		
Scope 1	Emissions from use of fossil fuel	301
	Emissions from use of refrigerants	63
	Total scope 1	364
Scope 2	Emissions from purchased electricity (market-based)	1 278

GoodHabitz

		tCO <sub>2</sub> e*
Scope 1	Emissions from use of fossil fuel	135
	Emissions from use of refrigerants	0
	Total scope 1	135
Scope 2	Emissions from purchased electricity (market-based)	21

Stack Overflow

Scope 1	Emissions from use of fossil fuel	0
	Emissions from use of refrigerants	0
	Total scope 1	0
Scope 2	Emissions from purchased electricity (market-based)	51

Scope 1 emissions:

	tCO <sub>2</sub> e
Naspers corporate	6
Prosus corporate	16
Portfolio companies	31 437
<b>Total</b>	31 459 <sup>LA</sup>

Scope 2 emissions:

Naspers corporate	500
Prosus corporate	67
Portfolio companies	22 389
<b>Total</b>	22 956 <sup>LA</sup>

Scope 3 emissions (category 1 – purchased goods and services):

Naspers corporate	6 929
Prosus corporate	3 848
<b>Total</b>	10 777 <sup>LA</sup>

Scope 3 emissions (category 6 – air travel):

Naspers corporate	422
Prosus corporate	2 134
<b>Total</b>	2 556 <sup>LA</sup>

\* tCO<sub>2</sub>e: tonnes of CO<sub>2</sub> equivalent.

<sup>1</sup> Scope 3 includes only Naspers and Prosus corporate.

<sup>2</sup> Corporate offices include the Netherlands, United States, India, United Kingdom and Hong Kong offices.

LA Limited assurance obtained.

The full assurance report can be accessed on our website at:

[www.naspers.com/investors/results-reports-events/latest-annual-report](http://www.naspers.com/investors/results-reports-events/latest-annual-report).

The carbon emissions data was prepared using criteria for scope 1, 2 and 3 emissions which may be accessed on our website at:

[www.naspers.com/investors/results-reports-events/latest-annual-report](http://www.naspers.com/investors/results-reports-events/latest-annual-report).



**Decarbonising our portfolio of companies**

We will deliver on our portfolio coverage target by firstly engaging our controlled portfolio companies, where we have the highest level of influence and strong established collaborative relationship. Our strategy is to guide and support at least one controlled portfolio company per year to complete the target-setting journey and submit it to SBTi for verification. The anticipated impact of our multiyear commitment is substantial; by FY30, we expect to help a group of companies with an aggregate US\$5.7bn in revenues, advance on their net-zero pathway.

The development of a portfolio coverage target reflects our evolving ‘portfolio view’, where climate actions are supported at group level across our portfolio. This extends our commitments well beyond majority-owned or controlled companies to include listed and minority holdings.

The GHG emissions footprint of our portfolio of digital tech companies is low relative to most industrial sectors. Nonetheless, pockets of carbon-intense activities exist in some of our segments’ value chains. Our businesses are exploring scalable strategies to reduce emissions, for example in the Food Delivery and Etail segments where all our companies are implementing projects to extend the reach and use of zero-emission electric vehicles in their delivery fleets.

We apply a three-step process to transition our portfolio to align with a net-zero economy:

- » We begin by mapping the environmental impact of a company’s operations and extended value chain. Within 24 months of onboarding, each subsidiary is required to calculate and disclose data for scope 1, 2 and 3 emissions via our group carbon data reporting tool. This year, our subsidiaries increased the quality and scope of their carbon accounting. Most have now included material scope 3 categories in this process, essential for identifying opportunities to decarbonise their businesses.
- » Secondly, we help subsidiaries and associates employ best practice and science-based frameworks to develop net-zero pathways with multiyear targets. We have begun a project of intense collaboration with iFood to develop its science-based targets. The iFood team has started a detailed analysis of SBTi guidance, and is scoping the GHG footprint calculation for the company. iFood has already made considerable progress on a method to measure GHG emissions from packaging used by its restaurants. This complex and resource-intense process is necessary for setting the company on a net-zero pathway.

» Thirdly, across our portfolio, we support the capital expenditure and operating expenditure (capex and opex) investments our businesses are making to ramp up decarbonisation of their operations. For example, this year, PayU invested in distributed renewable-energy credits to fund the renewable-energy capacity of rural businesses across India. In our Etail segment, substantial investments have been made to accelerate the use of solar energy in distribution centres and our food-delivery companies iFood and Swiggy are scaling the electrification of delivery fleets.

**Decoupling growth from emissions**

**iFood**

iFood was carbon-neutral for FY23 and aims to use clean transportation methods for 50% of its deliveries by 2025. In the first quarter of the 2023 calendar year, 21% of its own deliveries were made using non-polluting modes (bicycles, e-bikes or e-motorcycles). To do so, it is developing solutions that allow more deliveries to be carried out by bicycles and creating financial products that encourage the use of around 2 500 e-bikes in its iFood Pedal programme, which has delivered 11 million orders since inception. For FY24, the challenge will be to maintain the constant growth of deliveries using traditional bicycles and e-bikes (iFood Pedal) and to offer a robust programme for the sale or hire of e-motorcycles for drivers.

By year-end, iFood had delivered 37 million zero-emissions orders by bike, e-bike, e-motorcycles and drones.

**OLX**

OLX Group has focused on measuring its scope 1, 2 and material scope 3 categories (purchased goods and services and business travel). Seventeen employee-led green teams have found ways to reduce the office environmental footprint through recycling initiatives, clean-ups, switching to green energy contracts and investing in solar energy for OLX’s biggest warehouse in Mexico. In total, over 30 initiatives were started globally by employees, through a companywide hackathon.

OLX data privacy and tech teams have significantly reduced its carbon footprint through data storage. By following best practices in deleting unnecessary and old image files in the OLX content management system, the team saved more than 1 petabyte (1 000 terabytes) of storage - reducing the level of server storage required from a third-party provider.

In FY24, OLX will invest further in crystallising its ESG approach to benefit all stakeholders: customers, communities, employees, government regulators, and investors. It will establish a preliminary path for reaching net-zero emissions, using the SBTi framework, including an operational roadmap for publicly disclosing targets by end-FY25.

**PayU**

The PayU business model supports the transition to a lower-carbon financial services infrastructure. Despite a relatively small carbon footprint, PayU measures and manages carbon emissions in its operations and value chain, and is defining a clear emissions-reduction pathway. One example is its investment to purchase distributed renewable-energy credits from renewable-energy projects in rural India, thereby reducing its scope 2 emissions.

Over the past year, PayU matured its carbon-accounting practices for scope 1 and 2, and continued to work on completing an assurance readiness review on at least one material scope 3 category. PayU’s highest priority is the purchased goods and services category, with cloud and data-related services being the main drivers.

In line with global good practice, it will set science-based net-zero targets to be implemented and achieved over three years and submit this to SBTi before the end of FY25.

**eMAG**

eMAG has rigorous carbon accounting already in place for scope 1 and 2 emissions, and in FY23, eMAG improved its scope 3 assessments for product-related categories. For example, it calculates carbon intensity, a measurement that defines carbon emissions relative to the organisation’s turnover and number of employees.

By using its easybox network, eMAG reduces its direct carbon footprint generated through fuel consumption significantly (an easybox order generates up to 95% less CO<sub>2</sub> than one delivered to a customer’s home).

eMAG’s logistics centre in Romania is both state-of-the-art and sustainable. It received an excellent rating under the BREEAM standard for design and construction stages certification programme, and the new warehouse under construction in Hungary received the same rating for its design stage.

The Romania warehouse is powered by green energy from a rooftop photovoltaic panel grid. In FY23, further capacity was added to this installation, totalling 2MW power via a network of nearly 4 400 photovoltaic panels. eMAG has also instituted a full green-energy contract for its other warehouses to reduce carbon emissions from purchased electricity.

**Takealot**

Takealot is committed to environmental sustainability, both in its operational practices and in the products offered. The business strives to minimise its environmental footprint by using certified sustainable materials and packaging (and phasing out suppliers that do not comply), reducing energy and water consumption, and creating ecofriendly delivery practices. Takealot is maturing on its carbon-accounting journey and conducted a readiness review for material scope 3 categories. In the new year, it will define

the steps towards more comprehensive scope 3 disclosure that will underpin long-term target setting.

In FY23, Takealot partnered with AEVERSA, a company that aims to electrify South Africa’s commercial fleets. Since November 2022, it is piloting a fully electric truck to operate between its Johannesburg distribution centre and proximity hubs. Based on an initial analysis, the electric trucks also provide meaningful financial benefit, given current fuel prices. Takealot will evaluate the pilot in FY24 and decide on further adoption of electric vehicles.

The e-bike programme for delivery drivers gained momentum, with over 100 bikes on the road at year-end. To protect drivers, new hires undergo extensive e-bike safety training and travel is limited to daylight hours within dedicated e-bike delivery zones. Customer response has been overwhelmingly positive, and Takealot aims to expand the programme to 500 e-bikes in FY24.

**Edtech**

In terms of environmental stewardship for our Edtech segment, in FY23, Stack Overflow and GoodHabit began to inventory their carbon footprints by mapping scope 1, 2 and 3 emissions data. Given their online nature, these businesses generate low levels of carbon emissions, while they offer their customers less carbon-intense learning and training, when compared to more traditional ways of brick-and-mortar, offline schooling systems and education.

**Engaging our supply chain to take climate action**

In FY23, we began to engage with top suppliers of the Naspers and Prosus corporate entities, requesting them to share the GHG emissions related to services they provide to our corporate headquarters operations and details of their emissions reduction targets. We learnt that 82% of our top suppliers have GHG reduction targets and 64% have science-based reduction targets. We will continue this engagement with all our suppliers, to better understand how to use environmental metrics in future supplier selection. The primary GHG data from our suppliers will deliver a reduction of emissions from our procured goods and services and education.

For information on the results of our supplier engagement, refer to our environmental impact report.

**Fair and just transition**

The concept of a just transition emerged as a key pillar of the global climate strategy at the 2022 COP27 climate summit. This is particularly relevant given that a majority of our businesses are located in the global south and often operate in communities that are most vulnerable to climate change.



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While countries of the industrialised north are overwhelmingly responsible for climate change, impacts are felt most strongly in parts of the world with limited resources to tackle the problem. For example, a company seeking to decarbonise its fleet of delivery vehicles in Germany benefits from lower costs of capital and more enabling policies, incentives and infrastructure than comparable businesses in Brazil, India or South Africa.

This reality is core to any concept of climate justice – and recognised in article 2.2 of the Paris Climate Agreement by an explicit commitment to ‘the principle of common but differentiated responsibilities and respective capabilities’. Deploying available technologies to curb emissions is often more difficult, disruptive and expensive in those economies least responsible for global warming.

Climate goals are global, but operating environments and the costs of transition are influenced by the available energy mix, local economy, governments’ varying net-zero commitments, policies and regulation. Each company’s operating country context is critical to its decarbonisation pathway.

For example, Brazil has set a goal of achieving its net-zero target by 2050. In contrast, India has set a date of 2070 to achieve the same target. For example, our food-delivery subsidiary iFood benefits more from Brazil’s enabling ecosystem than its peer Swiggy in India or Mr D in South Africa.

Our commitment to a fair and just transition underpins our approach to creating sustainable value. Most of our businesses operate in communities that are particularly vulnerable to the impacts of climate change. We believe that a commercial strategy anchored in the climate agenda will contribute to reducing systemic risk, enhancing human capital, and securing our societal licence to operate.

Our governance and management framework is in place, ready to support all our businesses, operations and subsidiaries and associates to meet global climate targets aligned to the Paris Agreement goal of net-zero emissions.

**Resource use**

The business models of companies in our group are asset-light, leading to a limited need for natural resources in their value chains, beyond office space and equipment. There are a few resource and carbon-intense activities in our Etail and Food Delivery platforms. Curbing the environmental impact of delivery services and packaging of food and goods is a priority across our businesses in these segments.

Circular economy, packaging and biodiversity are focus themes for our group. We take an active role in enabling positive transitions and are committed to increasing our understanding of mitigating measures and allocating capital to solutions.

Digital services reduce or eliminate dependence on physical materials in delivery and consumption. For example, our Payments and Fintech, and Edtech platforms enable online education and digital payments, which require fewer materials and consequently have lower impacts than their physical counterparts. In online shopping, our investee Oda, a leading online grocery-delivery company in the Nordic region, commissioned a comparative study that showed online grocery shopping can have a carbon footprint up to 60% smaller than offline shopping.

Water use and waste generation are both of limited relevance to the businesses of our controlled and non-controlled portfolio companies. In our physical climate-related risk assessment (refer to our TCFD report), we have looked at water risks (flooding, drought, etc) with the potential to impact our employees and supply chains. However, given that our business models are online and minimally reliant on physical assets and infrastructure, we have concluded that water stress does not require a separate management programme as it is not an important risk factor.

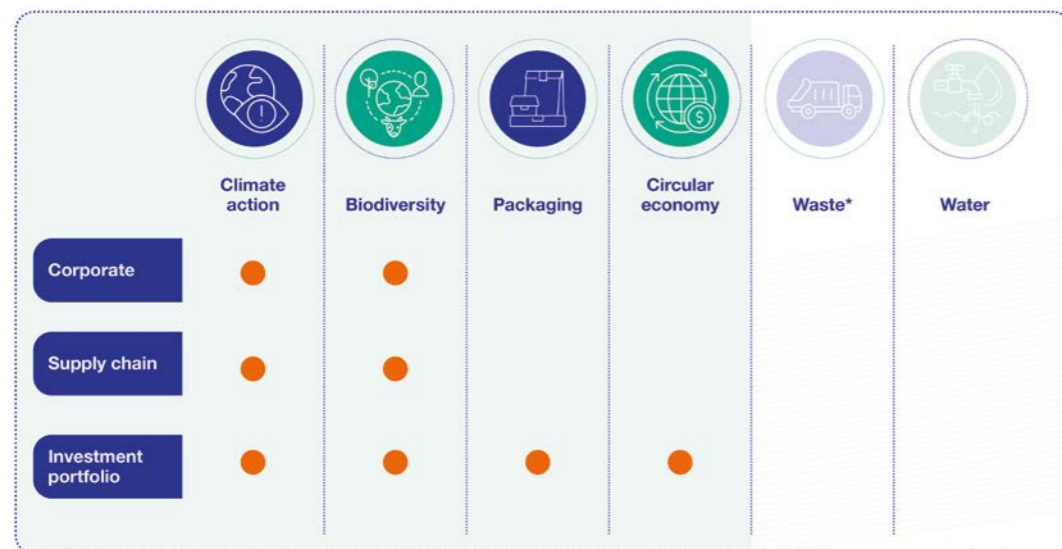
**Sustainable packaging**

The supply of high-quality packaging plays a critical role in the success of food delivery and eetail, not only for our companies’ operations but also for their business partners. Our food-delivery and eetail subsidiaries are implementing sustainable packaging strategies to reduce waste and optimise resource use.

Food-delivery and eetail platforms are powerful aggregators of supply and demand for businesses and consumers. With their scale and digital innovations, they can play an important role in improving the sustainability of packaging by catalysing innovation and rapidly scaling solutions.

In the absence of a global framework for sustainable packaging, we have developed group principles and approaches to help our portfolio companies develop effective strategies. We have determined 10 golden rules to help digital delivery platforms scale sustainable packaging across their operations and value chains.

**Materiality assessment of environmental impact**



\* Waste not from packaging use.

We also strive to create impact by supporting innovation. Our Classifieds business enables resource optimisation by promoting the recycling and reuse of goods. Additionally, our

Food Delivery and Etail portfolio companies are creating opportunities to scale adoption of sustainable packaging, such as reusable food containers or new biodegradable materials.





In FY23, the packaging and waste working group, comprising all companies with a material packaging footprint, published two impactful reports: the 10 golden rules for digital delivery platforms to scale sustainable packaging; and landscape studies on packaging to identify solutions for new materials and strategies for reduction.

We will continue to map and optimise the material packaging footprint in our Food Delivery and Etail segments – finding ways to do more with less.

iFood, the first food-tech company in Brazil to sign the UN Global Compact, is using its presence in Brazil to support the acceleration to greener economies. The company estimates that Brazil produces over 11 million tons of disposable plastics annually, including plates, cups, cutlery, plastic bags and non-recyclable disposable straws. Without a national or public-sector recycling plan for these items, they end up in landfill or in the environment. Given its role in the food ecosystem, iFood believes it can contribute to improving Brazil’s waste management.

Last year, iFood committed to the #DeLivreDePlástico initiative, driven by the United Nations Environment Programme (UNEP), to eliminate plastic pollution from deliveries off its platform by 2025. It has enabled the ‘no cutlery, straws, or napkins’ option in its app, and encourages restaurants not to send these items by default (only when requested). iFood has a restaurant participation target of 90% by December 2023, and aims to ship 80% of orders without these disposable items by 2025.

iFood’s goal is to reduce plastics in deliveries by 50%, with the remaining material being 100% recyclable by 2025. To better understand which deliveries and meals cause the most packaging waste, iFood leveraged its internal data, showing which meal types are prime candidates for packaging reform. Based on this data, it has focused on developing partnerships in the paper industry, such as Suzano and Klabin, and with start-ups producing sustainable packaging, such as GrowPack, a biodegradable packaging factory (using corn husk-based source material) to test this packaging at scale. In addition, it has encouraged

large restaurant partners to go plastic-free. The objective for FY24 is a launch of a portfolio of affordable sustainable iFood packaging and encouraging large restaurant partners to go plastic-free.

eMAG is also improving its order-consolidation process, combining multiple products for the same client in a single package. The goal is to improve its consolidation rate of 80% last year to 88% in FY24, reducing packaging volume and shipping bulk. Compared with FY22, eMAG reduced its packaging consumption by over 20% and plastic packaging by 35%, by eliminating or replacing with 100% recyclable cardboard packaging.

Last year, South African subsidiaries, Takealot and Media24, joined the SA Plastics Pact, confirming their commitment to reduce impact from plastic packaging and support the transition from a linear model of take-make-waste to a circular economy for packaging.

To reduce waste, Takealot introduced recycling bins at its pickup points in FY23, enabling customers to return cardboard boxes for recycling. A second set of bins allows customers to drop off used clothing that is then supplied to the homeless.

In addition, Takealot will map its packaging footprint by identifying and measuring volumes in the extended value chain and determining what happens with packaging after use. It will then create a transition plan for sustainable packaging by applying strategies of reduce, reuse, recycle/compost.

**Circular economy**

We live in a world of limited natural resources, where the mining of raw materials and manufacturing of products have negative environmental impacts. The solution is to transition from a take-make-waste system to a circular economy.

A circular economy goes beyond simply recycling and enables consumers to live the lives they want, with limited environmental impact. Extending a product’s life is a key part of the circular economy. By facilitating the trade of second-hand products, our classifieds platforms extend life cycles for items that would otherwise have short life cycles. As a result, our need for new products is lessened and our production of waste decreases.

**OLX**

Our classifieds platform OLX has modelled the positive impact of its circular model by calculating how reusing consumer products, including smartphones, televisions, laptops, and cars, leads to substantial material savings and avoided GHG emissions. The annual impact reports of OLX quantifies this positive impact: it calculates the volume of emissions that are avoided by enabling its customers to extend the life of consumer goods like televisions, phones, laptops, cars, motors and car parts. For instance, in 2022 OLX helped, through the trade of 26 million products, prevent the GHG emissions of 5.2 million tonnes, equal to 31 million trees that would need to be planted. The annual impact report can be found on <https://www.olxgroup.com/impact>. The power of digital platforms to contribute exponentially to a low-impact society is shown when we compare these avoided emissions to the direct operational emissions of OLX and OLX Autos, which were 40 000t CO<sub>2</sub>eq, or only 0.7% of this total benefit.

**eMAG – contributing to circular economy**

eMAG’s Flip developed its in-house expertise to repair any type of mobile phone, irrespective of apparent or underlying defects. The environmental impact of a refurbished phone is up to 80% lower than a new one. Flip promotes the idea that refurbished phones are a smarter acquisition for both customers and the environment: consumers can save up to 40% on the cost of a device that presents and functions like a new one, benefit from a 12-month warranty and do so all while making a positive impact on the environment.

Similarly, eMAG’s Freshful grocery business has incorporated sustainability principles into its operating model since inception. For example, Freshful paper bags are 100% recyclable, and the company offers to recycle bags used in deliveries. In addition to minimising food waste through efficient planning and cold-chain management, Freshful’s ‘save me’ promotions enable customers to buy items close to their expiry date. To date, this has prevented the disposal of over 70 000 products. Next steps include optimising order consolidations to further reduce the use of paperbags, and plans to reduce, reuse, recycle and compost packaging, while increasing the use of sustainable packaging and reducing waste.

**Biodiversity**

Biodiversity risks and impacts are rapidly growing global concerns. Biodiversity is a complex issue with multiple facets, and businesses, investors, regulators and others are trying to come to grips with the speed and scale of changes in our natural world, from oceans to land and air.

We welcome the Taskforce on Nature-related Financial Disclosures (TNFD) framework to guide our understanding of the impacts of biodiversity loss, and to support our thinking about how to reduce further negative impacts. We are committed to mapping the full biodiversity impact of our portfolio companies and developing effective mitigation and adaptation measures.

Our initial assessment last year, based on business models in our portfolio, indicated that biodiversity impact is minimal compared to other business sectors. This is due to the digital nature of our businesses and the fact that operations of our portfolio companies mainly involve offices in urban areas with supply chains comprising mostly service providers.

As we continue to assess our exposure, we will develop and implement a no-deforestation commitment across our businesses:

- » We commit to prohibiting the clearing or converting of any forest areas to develop new sites for our businesses.
- » We are committed, where possible and feasible, to procuring FSC (Forest Stewardship Council) paper and cardboard products for all our Etail businesses and will increase the share of FSC-certified products purchased.

In line with its commitment to sustainability and the objectives of the Romanian environmental pledge, eMAG has partnered with Foundation Conservation Carpathia (FCC). FCC created a wilderness reserve in the Romanian Carpathian mountains by purchasing land and hunting rights to protect the area from deforestation and promote biodiversity. Its plan is to return the land to the public domain and promote sustainable tourism in the area. Forest conservation projects such as these play a crucial role in combating global warming.



## Being a responsible global corporate citizen is at the core of everything we do. We consider paying taxes as an important economic contribution to the societies in which we operate, and a normal consequence of doing business.

We support the establishment of a harmonised international tax system where there is a level playing field and where all players pay their taxes in the jurisdictions where they operate.

To understand our approach to paying taxes and interpret the taxes paid information, it is important to understand our operating model. As a global technology investor, our portfolio of businesses is well diversified by sector and geography. We operate on a decentralised basis in numerous countries. The businesses are based in the countries where their operations, users and consumers are. All our investees pay taxes locally, in the jurisdictions where they operate and their products and services are consumed. Overall, our aim is to improve the lives of people who live in the countries where we operate – paying taxes is an integral part of that aim and our business operations.

As a technology investor that backs local entrepreneurs, there is typically no traditional value chain in which value is added in multiple layers. Paying taxes in the markets where we operate is important to contribute to those societies. This ensures we provide a return to those communities and countries for the benefit and privilege of doing business with and in them.

Paying taxes locally is an extension of our commitment to improving our customers' lives through technology. Our investees' businesses directly improve people's lives. Indirectly, through taxes paid locally, people's lives are further improved. Locally paid taxes assist governments to fund the needs of the populations in their countries.

### Taxes paid in FY23

In FY23, Naspers paid and collected US\$1.2bn (FY22: US\$1.4bn) in direct and indirect taxes globally. Details of taxes per country are set out below:<sup>1</sup>

Region/Country	Corporate income and withholding taxes	Payroll taxes and social security contributions paid	Payroll taxes and social security contributions collected	Other direct taxes	Total direct taxes	VAT, service and consumption taxes	Other indirect taxes	Total indirect taxes	Total tax contribution FY23	Total tax contribution FY22 <sup>2</sup>
Brazil	66.8	14.9	10.9	8.0	100.6	123.3	0.3	123.6	224.4	240.2
Romania	1.9	6.5	59.8	2.4	70.6	132.8	0.5	133.3	203.9	189.3
South Africa	35.4	2.8	52.4	0.9	91.5	24.8	4.8	29.6	121.1	190.9
The Netherlands	51.5	4.0	67.8	-	123.3	(10.1)	-	(10.1)	113.2	187.1
Poland	20.8	11.5	22.5	0.9	55.8	48.0	0.0	48.0	103.8	93.8
Argentina	47.7	2.3	1.1	42.3	93.5	3.1	-	3.1	96.6	112.9
India	25.8	3.2	30.7	0.0	59.7	23.2	0.8	24.0	83.6	48.1
United States of America	0.4	6.2	57.7	2.0	66.3	-	-	-	66.3	119.5
Hungary	0.8	11.8	5.4	5.0	23.1	9.6	-	9.6	32.7	22.5
Bulgaria	0.0	0.9	0.7	0.0	1.7	26.9	-	26.9	28.6	30.1
Colombia	16.1	2.5	1.8	3.0	23.4	1.9	-	1.9	25.2	27.3
Other	18.2	31.2	59.7	1.7	110.9	24.8	0.2	25.1	136.0	134.1
<b>Total</b>	<b>285.4</b>	<b>97.9</b>	<b>370.5</b>	<b>66.2</b>	<b>820.1</b>	<b>408.3</b>	<b>6.7</b>	<b>415.0</b>	<b>1 235.1</b>	<b>1 395.7</b>

<sup>1</sup> The table lists all the taxes paid on a country-by-country basis in the 11 jurisdictions with the largest tax contributions. These 11 jurisdictions contributed approximately 89% of the total taxes paid in FY23. Taxes paid in 36 countries add up to the amounts under 'Other'.

<sup>2</sup> To have a direct comparison with the taxes paid in FY23, the taxes paid in FY22 exclude the taxes paid in countries where the operations have been discontinued.

Naspers shows a meaningful normalised effective tax rate of 26.8% for FY23 (FY22: 23.6%).

The group accounts for its share of results of its equity-accounted investments net of taxation recognised by those investments. To provide a more comparable and meaningful effective tax rate, the tax recognised as part of the group's share of results from equity-accounted investments is included, for purposes of calculating the normalised effective tax rate.

### Compliance

As a family of essentially local businesses, the principles we apply across our portfolio are consistent. We take tax compliance seriously. Naspers has zero tolerance for non-compliance with tax laws in all jurisdictions where our businesses operate. This principle is embedded in the culture of our group and is an element of the KPIs of finance and tax teams.

Our tax team comprises experienced and effectively equipped tax specialists. Regular training ensures all team members maintain their optimal tax skill sets. Investees are accountable for managing tax and adhering to our group tax policy, including zero tolerance for non-compliance.

Compliance with laws and regulations in the countries where we do business is essential to the integrity of our businesses and all our actions. Ensuring we are compliant with tax legislation in territories where we operate is non-negotiable. We have to be – and we want to be – fully compliant: no exceptions. This is how we do business and why our stakeholders can have confidence in the integrity of our actions.

Of course, we ensure we manage our tax costs, as with any other business costs, as efficiently as possible. This is part of our responsibility to our shareholders and our businesses. But we do not abuse opportunities to unreasonably reduce the tax cost of the business. All tax planning, whether driven by acquisitions, rationalisations, disposals or disinvestments, operational restructuring or legislative changes, is carried out in line with our tax policy and our approach to tax. We will take into account the intention and objective of tax legislation or policy in how we apply the legislation. Our appetite for tax risk is low. All tax planning is decided and effected in the context of the business: tax consequences flow from business operations. Business structures and operational models dictate our tax strategy, not vice versa.

We do not engage with tax authorities to obtain special dispensations. When obtaining advance tax rulings, we do this via standard, transparent processes available to all taxpayers. Our aim is to create certainty on the application and tax consequences of business transactions. In line with our commitment to tax transparency, we support making any rulings publicly available.

Operating a decentralised local business model means that transfer pricing is not the most significant factor in our tax management. To the extent that it does apply, we ensure there is always adherence to the arm's length principle.

Naspers has grown organically and by acquisition. In the course of these acquisitions, we inherited a number of legacy structures, including some companies located in low-tax jurisdictions. These structures are under constant review and most have been eliminated. In FY22, four companies in low or no-tax jurisdictions (two in British Virgin Islands, two in Mauritius) were liquidated. In FY23, this was continued with the liquidation of three entities: two in Mauritius and one British Virgin Islands company. Additional legacy companies are either being liquidated or identified for liquidation. Low or no-tax jurisdictions are internally defined as countries with no corporate income tax and countries listed on the EU blacklist of non-co-operative jurisdictions for tax purposes. Presence in such jurisdictions is retained only in cases where business reasons dictate such a presence. We do not attempt to engineer tax advantages by creating business entities in low or no-tax jurisdictions in which Naspers does not operate or have business substance.

Further guidance on how we manage taxes is publicly available in our group tax policy.

### Governance

We attach the highest priority to fairness, integrity and transparency – in short, doing the right thing, no exceptions.

This approach is built on the following elements:

- » Board accountability for tax through the group CFO and audit and risk committees.
- » A clear tax risk register and heatmap.
- » A tax control framework with robust controls.
- » Experienced tax professionals with the right skills.
- » Training for and regular communication and engagement between everyone with responsibility for tax.
- » Using technology to automate tax processes.

Ultimate responsibility for tax vests with our group CFO who is accountable to the Naspers board, with oversight from the audit and risk committees. Our group tax policy is reviewed annually by these committees, approved by the board and published on our website.

Maintaining a risk register and heatmap assists us to follow a structured approach to assess, prioritise, respond to, and monitor potential high-impact tax risks. The risk register details our top tax risks and how we manage each one. We use our heatmap to rank our tax risks by impact and vulnerability and track their movement over time. This guides our decision-making, by focusing our activity on actions required to effectively manage and mitigate tax risks.

The main tax risk for our business lies in legislative or regulatory changes. This is especially true in our industry where global tax developments (BEPS (base erosion and profit shifting), pillar 1 and 2) and digital services taxes are designed to apply to consumer internet and tech companies. Monitoring legislative changes is a key priority, primarily to ensure that our businesses are always compliant. In addition, the impact of changes in regulations is timeously evaluated via impact assessments. An example of this is the global minimum tax rules of pillar 2. The tax impact of these rules is expected to be fairly minimal based on how our business operates: our local businesses pay their taxes locally, are predominantly based in high-tax jurisdictions and permanent book-to-tax differences are exceptional. Getting to grips with the compliance elements of pillar 2 rules is one of our priorities to ensure the group will be compliant once these rules are enforced.

Besides monitoring (potential) changes in legislation, Naspers also regularly contributes to (public) consultations. In our engagements, we aim to contribute constructively and act as a sparring partner, taking into account the objects and purposes of legislative changes and their impact on our decentralised business model.

Tax risks, tax challenges, interactions with revenue authorities and other issues are under constant review and reported regularly to our group CFO and the audit and risk committees. We aspire to a 'no surprises' approach in managing taxes: there should be no tax surprises at any level - whether in relation to tax costs to a business, reporting to revenue authorities or supplying relevant information to stakeholders.

Our tax control framework sets out the operational details for managing tax risk in accordance with the criteria established in our tax policy. We implement this framework consistently across our controlled portfolio and operations, to ensure tax compliance in all the jurisdictions where we operate. Our tax control framework is also shared with relevant tax authorities.

All tax professionals are appropriately skilled for their role and receive ongoing training. The tax team members are assisted by reputable external advisers with specialist tax expertise who provide input for all significant and many other tax matters, advise on the tax consequences of transactions, review tax filings and support the tax teams where necessary.

The process for disclosing any improper conduct or concerns of wrongdoing is outlined in the group's speak up policy and available to all on any matter, including tax behaviours.

### Technology

Efficient tax management is enhanced by the use of technology. Given the growing requirement by tax authorities and other regulators to report substantive data, it is essential to harness technology for data extraction, gathering and collation. Technology is also paramount to eliminate any human errors in collating relevant data and the tax compliance process. Where possible, we have automated tax processes such as the controlled foreign company compliance and country-by-country reporting. Automation contributes to enhanced data integrity and reduces the working hours involved in these processes.

We will continue to expand the reach of automation and technology in our tax management processes, where we are confident of increased efficiency and integrity of information. This focus is included in the KPIs of our tax team members.

At the same time, we recognise there are, and always will be, many areas in tax that require ongoing attention and input by skilled tax professionals. Where technology can be implemented to enhance data collection and collation, and to share relevant information with tax authorities, we believe a reduction in working hours required for these tasks can enable our group tax specialists to spend their time more effectively.

We will continue to invest time in assessing how technology can assist in streamlining processes to effectively manage our taxes and tax compliance.

### Transparency

It is one of our KPIs to, at all times, constructively and transparently engage with all our stakeholders, both external and internal. These stakeholders include investors, customers, employees, regulatory authorities, governments and policy-makers, and tax authorities.

In 2022, the Dutch Confederation of Netherlands Industry and Employers (VNO-NCW) published its Tax Governance Code. Naspers, through Prosus, supports this code which provides for tax principles aiming to improve transparency. Prosus also endorsed the VNO-NCW Tax Governance Code, and our tax principles are in line with those set out in the code. We believe that our commitment to tax transparency and associated governance principles are key to provide a better public understanding of our rather unique approach to tax and our tax contributions.

Disclosure of taxes paid is an important step in tax transparency. We support this initiative to demystify and reduce the stigma that may be attached to tax contributions by companies, particularly multinationals. In our view, disclosure demonstrates responsible corporate citizenship and facilitates meaningful engagement with stakeholders in the countries where we operate. Also public country-by-country reporting is an important step in tax transparency. At the same time, we recognise the risk that the information disclosed under public country-by-country reporting and taxes paid is interpreted wrongly or misunderstood. These rules do not require providing any relevant context to the numbers disclosed. Public data under the country-by-country rules and the taxes paid only provides valuable information if there is a deep understanding on the business activities in these countries, including the life cycle of local business operations.

We regard tax authorities as significant stakeholders. As with all other stakeholders, it is important for us and our investee companies to engage proactively and transparently with tax authorities. Our approach, where possible, is to follow the principle of co-operative compliance. We engage regularly with tax authorities to explain our business model and proactively share information with them. While recognising that at times our views and those of the tax authorities may differ in applying specific tax rules and legislation, we aspire to a relationship of mutual trust. This sometimes creates dilemmas. But our aim remains for stakeholders, including revenue authorities, to have confidence in the integrity of our actions, the way we do business and the information we provide. As such, we will continue to take proactive steps to enhance the scope of tax information relevant to our stakeholders.

Naspers is an active supporter and contributor of the Capabuild project; a public-private partnership co-building tax capacity for developing countries by way of tax training for tax authorities, policy-makers and other government officials in the global south. Capabuild strives to improve the understanding of global taxation as this can help governments improve the effectiveness and efficiency of the tax system in their jurisdiction. As taxation is a significant factor in every nation and every citizen's life, it is important that it is understood. It needs to be demystified. Through our contribution to the training platforms offered by Capabuild, we are able to share our knowledge and emphasise the need for dialogue, building trust and true transparency on taxes paid, collected and applied to improve the lives of citizens, those people the governments serve. We proudly support initiatives such as those of Capabuild. These contribute to having sustainable, fair and transparent tax systems that enable governments to provide for their citizens.

### Regulatory risk

Managing tax efficiently means effectively managing risk. This important area is another KPI for our tax teams. As we operate in many jurisdictions, tax policy and legislative changes are an ongoing risk. We need to be aware of impending policy or legislative changes and be ready to implement these when they arise. But this also means that we need to constructively engage with policy-makers and legislators to ensure our messages are heard when policies or legislation are changed. Our reputation as a responsible corporate citizen contributes to us being heard by these bodies. Where we are able to build relationships of trust, we do so. We believe this gives us credibility and will further enhance our reputation as a taxpayer with integrity.

Naspers continues to provide constructive and reliable feedback to tax policy-makers and other stakeholders through submissions to public consultations or direct engagement at national and international levels.

### Level playing field

As a global investor, we subscribe to certain tax policy fundamentals: we believe it is in everyone's best interests to establish a level playing field in which local, regional and global companies are subject to the same taxes in the countries where they operate.

In our view, taxes should be fair, balanced and uniform. To create the level playing field, we believe that taxation of profits and local tax systems should be governed by a harmonised international framework. We actively support international initiatives led by the OECD/G20 inclusive framework on base erosion and profit shifting to develop a global policy to modernise and remove imbalances from the international tax system. These align with our approach to taxes and where we believe taxes should be paid.

The level playing field will ensure that each business is subject to the same taxes, irrespective of whether it operates globally, regionally or locally. We engage in discussions where we believe we can contribute to ensuring this harmonised global tax system with a level tax playing field is created.

Certainty, transparency, fairness, integrity and doing the right thing, no exception - these are fundamentals in our approach to tax management at Naspers. We want to ensure that, at all times and in all jurisdictions, we pay the correct and appropriate amount of tax, commensurate with the business operations in that geography, and that we can openly demonstrate this to our stakeholders.

# Brazil





## Highlights 2021

Smartphone users  
**173 million**

**81%\*** of population  
is internet users

## 2022

 Population  
**218.7 million**

 Unemployment rate  
**7.9%**

 GDP  
**2.9%**

 Inflation  
**7.8%\***

## 2023

Food Delivery  
**750 million orders**

## 2026\*

Online grocery sector  
**20% CAGR\***

Smartphone penetration  
**85%**

\* Estimated.

## Naspers offers

- » Building a global leader in on-demand food delivery.
- » iFood is the most-loved delivery company in Brazil, engaging with society through meaningful actions.
- » Around 1 500 Brazilian cities covered.

- » Financial service offering gained traction.

- » Innovation driving growth for iFood.

### » ESG:

- For 2025: We aim for no plastic pollution in iFood's food deliveries; to remain carbon-neutral; and to have non-polluting delivery methods for 50% of deliveries.
- Todos a Mesa (all at the table) programme aims to end food insecurity (15% of the population faces this issue). Besides food donations, iFood users can donate money through its app – iFood is now the largest donation platform in Brazil, with over BRL25m donated since 2021.
- 5 000 people have completed iFood's basic education courses for its driver community. For FY24, iFood aims to have 30 000 drivers complete the basic education programme.



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## Group structure

### Introduction

Established in 1915, Naspers has transformed into a global consumer internet company and one of the largest technology investors in the world. Through Prosus, the group operates and invests globally in markets with long-term growth potential, building leading consumer internet companies that empower people and enrich communities. Prosus has its primary listing on Euronext Amsterdam and a secondary listing on the JSE Limited (JSE), Johannesburg's stock exchange, and A2X Markets in South Africa. Naspers is the majority owner of Prosus.

In South Africa, Naspers is one of the foremost investors in the technology sector and is committed to building its internet and ecommerce companies in the country. These include Takealot.com, Mr D Food, Superbalist, AutoTrader, Property24 and PayU, in addition to Media24, South Africa's leading print and digital media business.

### Listing and regulatory environment

Naspers has its primary listing on the JSE's stock exchange (NPN.SJ) and a secondary listing on A2X Markets (NPN.AJ) in South Africa. It is the largest South African company on the JSE. It also has a level 1 American Depository Receipt (ADR) programme which trades on an over-the-counter (OTC) basis in the US. Investors are therefore able to buy and sell Naspers securities on several markets. Naspers' subsidiary, Prosus N.V. (Prosus), is listed on Euronext Amsterdam with secondary listings on the JSE Limited's stock exchange (XJSE:PRX) and A2X Markets (PRX.AJ). It also has bonds listed on Euronext Dublin, and ADRs that trade on an OTC basis in the US.

### Right to hold and transfer shares

Naspers' memorandum of incorporation places no limitations on the right to hold or transfer N ordinary shares (listed). There are no limitations on the right to hold or exercise voting rights on these shares imposed by South African law.

### Naspers voting control structure

The aim of the Naspers voting control structure is to ensure the continued independence of the group. When entering foreign countries in the broad media or communications spheres, and when dealing with regulators, it is critical that we give an assurance of our continuity of identity: in other words, that we will not, after we have entered a territory or secured a licence, be taken over by unknown entities with whom the country or regulator may be uncomfortable. We believe that this assurance of independence and continuity is critical for our entry into, and operation in, many markets.

### International

Differentiated voting rights and control structures are commonly used in the media and internet sectors to secure independence and deter raids or efforts to seize control. Many international media and technology companies have differentiated rights or control structures. Some more well-known examples include: Schibsted and Tele2 in Norway; MTG in Sweden; Daily Mail and General Trust in the UK; JD.com and Alibaba in China; and Alphabet (Google), Meta, LinkedIn, 21st Century Fox, News Corporation, Discovery, Liberty Global, Snap Inc., Zillow and Zynga in the US.

In recent times, many internet and tech companies in particular have implemented similar structures.

### Structure

The issued share capital of Naspers comprises two classes of shares:

- » N class ordinary shares that have one vote per share and are listed on the JSE. As at 31 March 2023, there are 435 511 058 N ordinary shares in issue.
- » Unlisted A class ordinary shares that have 1 000 votes per share, but have relatively insignificant economic participation (the dividends declared to A ordinary shareholders are equal to one fifth of the dividends per share to which N ordinary shareholders are entitled). As at 31 March 2023, there are 961 193 A shares in issue.

A majority of A class ordinary shares are held by two companies that together comprise the control structure of Naspers.

Keeromstraat 30 Beleggings (RF) Limited (Keerom) and Naspers Beleggings (RF) Limited (Nasbel) hold such A class ordinary shares that together they control more than 50% (currently 55%) of the voting rights in Naspers. These two companies exercise such rights in consultation with one another. No other entities are part of the control structure.

Keerom has 2 821 shareholders as at 31 March 2023 and its constitutional documents provide that no shareholder is entitled to exercise more than 50 votes regardless of shareholding which represents 0.39% control.

Nasbel has 2 588 shareholders as at 31 March 2023, one of which is Heemstede Beleggings Proprietary Limited (Heemstede) (a wholly owned subsidiary of Naspers) that holds 49% of the shares in Nasbel.

The boards of directors of Keerom and Nasbel operate independently.

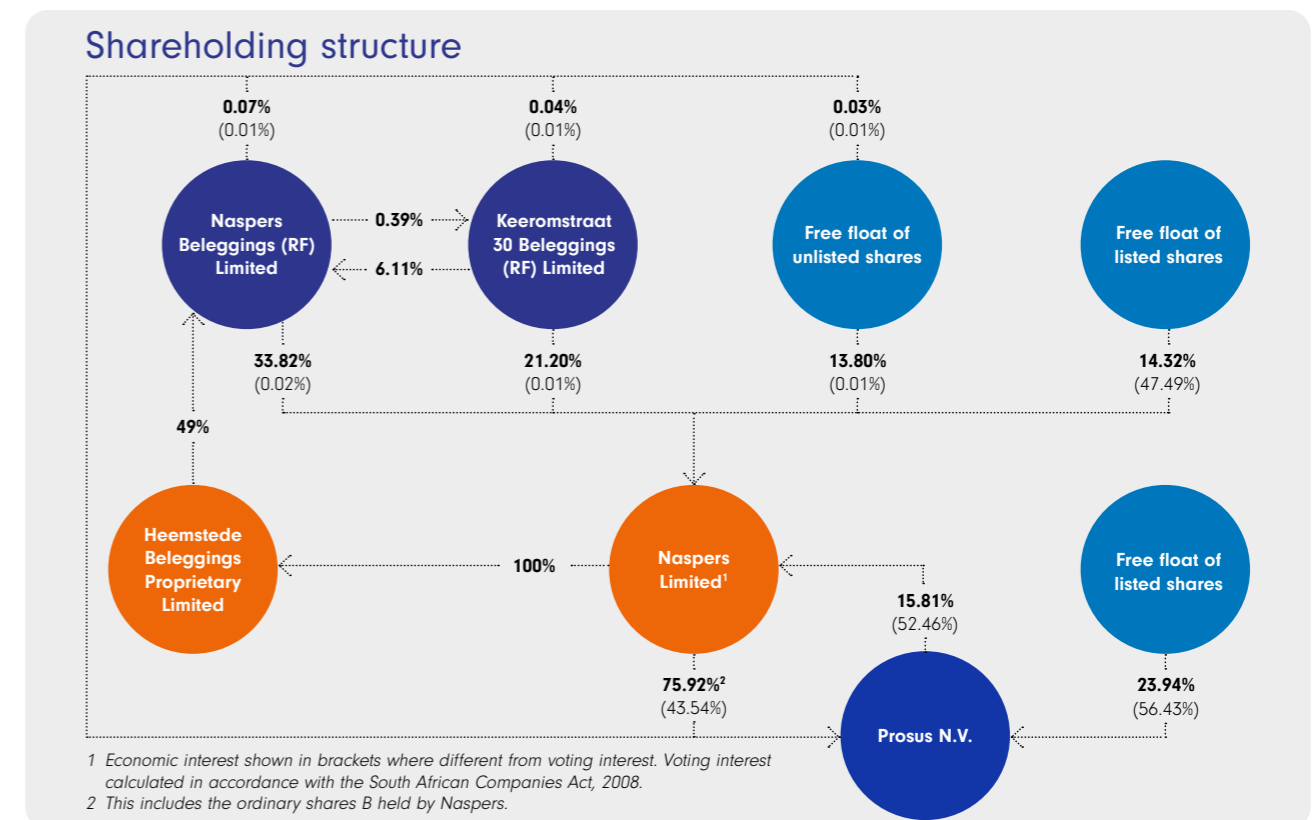
### Cross-holding agreement

Naspers and Prosus entered into a cross-holding agreement to regulate their relationship following Prosus' acquisition of around 52.46% economic interest in Naspers' listed shares to give shareholders certainty that the full extent of Prosus' free-float shareholders' effective economic interest in the underlying Prosus portfolio in distributions will be paid directly and efficiently at the Prosus level.

In terms of this cross-holding agreement, Prosus' free-float shareholders' effective economic interest in the underlying Prosus portfolio (the Prosus free-float's effective economic interest) is 56.43% (larger than the 35.64% Prosus free-float direct holding of Prosus ordinary shares N). Naspers' free-float shareholders' effective economic interest in the underlying Prosus portfolio (the Naspers free-float's effective economic interest) is 43.54%.

To ensure effective and ongoing interaction between Prosus and Naspers, distributions are made on a 'terminal economic value' basis. This gives shareholders certainty that the full extent of the Prosus free-float's effective economic interest in distributions is paid directly and efficiently at the Prosus level. The term 'terminal economic value' refers to a terminal (ie effective) economic value distribution that requires that both Naspers and Prosus' free-float shareholders receive distributions based on their ultimate underlying interests in the group as if a distribution had been made continuously a number of times through the crossholding.

A terminal economic value distribution requires that both Naspers and Prosus' free-float shareholders receive their ultimate underlying interests. This means Naspers will automatically distribute any distribution it receives from Prosus under the cross-holding agreement to its free-float shareholders and Prosus waives in advance any entitlement to the onward distribution declared by Naspers.



# Overview of governance

## Governance structure

The governance structures of Naspers and Prosus substantially mirror each other. Naspers and Prosus have an identical one-tier board structure of executive and non-executive directors. Executive directors are responsible for the group's day-to-day management, which includes formulating its strategies and policies and setting and achieving its objectives. Non-executive directors supervise and advise executive directors. Each director has a duty to the company to properly perform their assigned responsibilities and to act in its corporate interest.

The audit and risk committees of the board monitor compliance with the JSE and Euronext Dublin requirements applicable to the Prosus bonds listed on that exchange.

The board's projects, audit, risk, human resources and remuneration, nominations, and social, ethics and sustainability committees fulfil key roles in ensuring good corporate governance.

The group uses independent external advisers to monitor regulatory developments, locally and internationally, to enable management to make recommendations to the board on matters of corporate governance.

## How we integrate governance into our business

We recognise the value of an integrated approach to assurance and compliance. The adopted governance, risk and compliance framework is the basis for how we manage governance.

This framework illustrates how we achieve a sustainable business integrated with governance, assurance, risk management and compliance, in line with legislated requirements and King IV recommendations and reported through the relevant structures.

Our subsidiaries, associates and investees are required to comply with applicable laws and regulations. A risk-based legal compliance programme (including anti-bribery and anti-corruption) has been implemented as per this framework in all subsidiaries.

In applying our capital allocation strategy, we look very carefully at risks relating to the countries and sectors in which we invest. We review potential investees and their founders and/or major shareholders; it is important for us to know with whom we are doing business. Our traditional due diligence looks at the commercial and financial position of the investees, but also covers legal (including IP, privacy and litigation) and tax aspects of their business. This is supplemented by contact between our team and the founder(s) and their management teams to understand the culture of the investees. More recently, for acquisitions of majority-ownership stakes in larger businesses, we formally assess the investee's ethics and legal compliance framework and HR policies against our own framework and policies to see what actions (if any) will need to be taken for the investee to meet our minimum requirements. The governance frameworks of investees differ depending on their scale and maturity: some are simply too small or early-stage to have a fully built and mature governance and compliance framework. In each case, however, we believe that our contact with the founders and management teams and our additional due diligence help us to understand the purpose and culture of each company. For a discussion of our approach to responsible investments, please see page 77.

Our largest investees, many of which are of significant size, have adopted their own appropriate governance standards. A number of these companies have listings on leading stock exchanges and therefore need to comply with both local law and the requirements of the relevant exchange and this is reflected in the standards that they adopt. If members of our team serve on the boards of investees, they are sometimes able to help shape the investee's governance standards. They do this by sharing the governance standards that we have adopted on relevant topics, offering support to associates through training or workshops, and generally sharing our knowledge and expertise. Periodically, teams of the company and associates meet to discuss governance standards and share their experiences.

## Group governance framework

The board is the focal point for, and custodian of, the group's corporate governance systems.

It conducts the group's business with integrity and applies appropriate corporate governance policies and practices in the group.

The board, its committees, and the boards and committees of subsidiaries, are responsible for ensuring the appropriate principles and practices of King IV are applied and embedded in the governance practices of group companies.

A disciplined reporting structure ensures the board is fully apprised of subsidiary activities, risks and opportunities. All subsidiaries in the group are required to subscribe to the principles of King IV. Business and governance structures have clear approval frameworks.

The group's governance committee comprises the segment chief financial officers, chief financial officers of Naspers and Prosus, Takealot.com and Media24, as well as the group company secretary and global head of governance, group general counsel, group head of risk and audit, global head of sustainability and global ethics and compliance lead. The committee was tasked to ensure the group's governance structures and framework are employed across the consolidated entities in the group during the financial year.

Governance and progress are monitored by the audit and risk committees and reported to the board.

As the companies in our group are diverse and at different maturity stages, a one-size-fits-all approach cannot be followed in implementing governance practices. All good governance principles apply to all types and sizes of companies, but the practices implemented by different companies to achieve the principles may be different. Practices must be implemented as appropriate for each company, in line with the overarching good governance principles.

Details of choosing the right opportunities and balancing risks (including principal risks) appear on pages 40 to 43. The board's responsibility statement on risk management is on page 173.

## Our approach to applying King IV and statement by the board

Naspers is required, in terms of the JSE Listings Requirements, to report its application of the principles of King IV. In line with the overriding principle in King IV of 'apply and explain', the board, to the best of its knowledge, believes the group has satisfactorily applied the principles of King IV. For a more detailed review of Naspers' application of King IV, refer to the King IV application report 2023.

All board and board committee charters and policies are aligned with the South African Companies Act, 2008 (Companies Act) requirements, the principles in King IV and the JSE Listings Requirements. King IV advocates a qualitative approach to implementing recommended practices to realise the intended governance outcomes.

In line with King IV recommendations, we consider proportionality when we apply corporate governance in the group. This means we apply the practices needed to demonstrate the group's governance in terms of King IV as appropriate across the group.

## Long-term value creation and strategy

The board ensures that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a code, leading by example, and monitoring implementation to make the required disclosures on incorporation, compliance and effectiveness. In this regard, the board is responsible for group performance by steering and providing strategic direction to the company, taking responsibility for adopting a view on long-term value creation and aligned strategy and plans (which originate from management). The board must approve the annual business plan and budget compiled by management, for implementation by management, taking cognisance of sustainability aspects in long-term planning.

For more information on the group's strategic approach, please refer to page 32.

**Internal controls, risk and audit**

**Internal control systems**

Our system of internal controls aims to prevent or detect material risks and to mitigate material adverse consequences. The system provides reasonable assurance on achieving company objectives. This includes the integrity and reliability of the financial statements; safeguarding and maintaining accountability of its assets; and to detect fraud, potential liability, loss and material misstatements while complying with regulations. The directors representing Naspers on boards of entities where it does not have a controlling interest, seek assurance that significant risks are managed and systems of internal control are effective.

Management, with assistance from risk and audit, regularly reviews risks and the design and operating effectiveness of internal controls, seeking opportunities for improvement. The external auditor considers elements of the internal controls system and communicates deficiencies when identified.

The board reviewed the effectiveness of controls on key risks for the year ended 31 March 2023. This assurance was obtained principally through a process of management self-assessment, including formal confirmation via representation letters by executive management.

Consideration was also given to other input, including reports from risk and audit, compliance and the risk management process. Where necessary, programmes for corrective actions have been initiated and progress is monitored.

While we work on continuously improving our processes on financial reporting, no major failings have occurred to the knowledge of the directors and therefore the directors are of the opinion that these systems provide reasonable assurance that financial reporting does not contain material inaccuracies.

**Risk and audit**

A central risk and audit function for the group provides independent, objective assurance and risk support services to the system of risk management and internal control to help management preserve and create sustainable value. The head of risk and audit reports to the chair of the audit committee, with administrative reporting to the chief financial officer.

The function's core competency lies in risk-based technology and business process assurance work. Through its specialised cybersecurity team, risk and audit also supports our businesses to continuously enhance their technology and cyber-capabilities to ensure resilient and secure platforms in the face of evolving cyber-risks.

The risk and audit function operates in conformance with the International Professional Practice Framework of the Institute of Internal Auditors and, in line with these, submits itself regularly to an external quality review.

Among other aspects, risk and audit is responsible for providing a statement annually on the effectiveness of the group's governance, risk management and control processes to the board of directors and, to the audit committee specifically, of the results of its review of financial controls.

**Non-audit services**

The group's policy on non-audit services provides guidelines on dealing with audit, audit-related, tax and other non-audit services that may be provided by the independent auditor to group entities. It also sets out services that may not be performed by the independent auditor.

The audit committee preapproves audit and non-audit services to ensure these do not impair the auditor's independence and comply with legislation. Under our guiding principles, the auditor's independence will be deemed impaired if it provides a service where it:

- » functions in the role of management of the company, or
- » audits its own work, or
- » provides services that are prohibited under applicable independence standards, or
- » serves in an advocacy role for the company.

**Relations with shareholders and investors**

**Investor relations**

 Naspers' investor relations policy (refer to our website at [www.naspers.com](http://www.naspers.com)) describes the principles and practices applied in interacting with shareholders and investors. Naspers is committed to providing timely and transparent information on corporate strategies and financial data to the investing public. In addition, we consider the demand for transparency and accountability in our non-financial (or sustainability) performance. We recognise that this performance is based on the group's risk profile and strategy, which includes non-financial risks and opportunities.

The company manages communications with its key financial audiences, including institutional shareholders and financial (debt and equity) analysts, through a dedicated investor relations unit. Presentations and conference calls take place after publishing interim and full-year results.

A range of public communication channels (including stock exchange news services, corporate websites, press agencies, news wires and news distribution service providers) is used to disseminate news releases. These channels are supplemented by direct communication via email, conference calls, group presentations and one-on-one meetings. Our policy is not to provide forward-looking information. Naspers also complies with legislation and stock exchange rules on forward-looking statements.

**Closed periods**

Naspers would typically be in a closed period on the day after the end of a reporting period (30 September or 31 March) until releasing results.

General investor interaction during this time is limited to discussions on strategy and/or historical, publicly available information.

**Analyst reports**

To enhance the quantity and quality of research, Naspers maintains working relationships with stockbrokers, investment banks and credit-rating agencies – irrespective of their views or recommendations on the group.

Naspers may review an analyst's report or earnings model for factual accuracy of information in the public domain but, in line with regulations and group policy, we do not provide guidance or forecasts.

The board encourages shareholders to attend the annual general meeting, notice of which appears in this integrated annual report, where shareholders have the opportunity to put questions to the board, management and chairs of the various committees.

The company's website provides the latest and historical financial and other information, including financial reports.

**Annual general meeting**

Naspers held its 108th annual general meeting in August 2022. Shareholders were encouraged to attend this meeting and to ask questions at or in advance of the meeting.

In 2023, Naspers will again hold an annual general meeting. The external auditor is welcomed to this meeting and is entitled to address the audience. As questions asked at the Naspers annual general meeting tend to focus on business-related matters, governance and the remit of board committees, the chief executive, chief financial officer and chairs of our board committees attend this meeting.

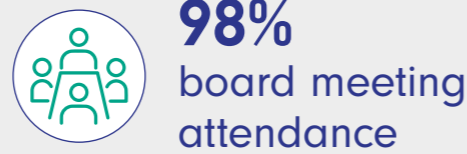
The annual general meeting for Naspers will be held in accordance with the notice of virtual annual general meeting.

# The board and its committees

## Attendance at meetings

Directors <sup>1</sup>	Board (fixed)	Board (ad hoc meetings)	Audit committee	Risk committee	Social, ethics and sustainability committee	Nominations committee	Human resources and remuneration committee
JP Bekker	5 (100%)*	6 (100%)*				3 (100%)	4 (100%)
B van Dijk	5 (100%)	6 (100%)		3 (100%)	2 (100%)		
V Sgourdos	5 (100%)	6 (100%)		3 (100%)	2 (100%)		
S Dubey <sup>2</sup>	5 (100%)	6 (100%)	1 (100%)				
HJ du Toit	5 (100%)	5 (83%)				3 (100%)	
CL Enenstein	5 (100%)	6 (100%)				3 (100%)	4 (100%)*
M Girotra	5 (100%)	6 (100%)	2 (67%)				
RCC Jafra	5 (100%)	6 (100%)		3 (100%)	2 (100%)	3 (100%)*	
AGZ Kemna	4 (80%)	6 (100%)	3 (100%)	3 (100%)			
FLN Letele	5 (100%)	5 (83%)			0 (0%)*		
D Meyer	5 (100%)	6 (100%)			2 (100%)*		
R Oliveira de Lima	5 (100%)	6 (100%)				2 (67%)	4 (100%)
SJZ Pacak	5 (100%)	5 (83%)	3 (100%)*	3 (100%)*			
MR Sorour	5 (100%)	6 (100%)					
JDT Stofberg	5 (100%)	6 (100%)			2 (100%)		
BJ van der Ross <sup>3</sup>		-					
Y Xu	5 (100%)	6 (100%)					
MI Davidson					2 (100%)		
<b>Total meeting participation</b>	<b>99%</b>	<b>97%</b>	<b>92%</b>	<b>100%</b>	<b>83%</b>	<b>93%</b>	<b>100%</b>

\* Chair  
 1 The projects committee did not hold any meetings in FY23.  
 2 Appointed as a director from 1 April 2022 and to the audit committee from 1 October 2022.  
 3 Retired as a director from 1 April 2022.  
 4 Unable to attend meetings due to long-standing commitments and urgent family matters. However, Mr Letele provided input on matters to be addressed ahead of the meeting.

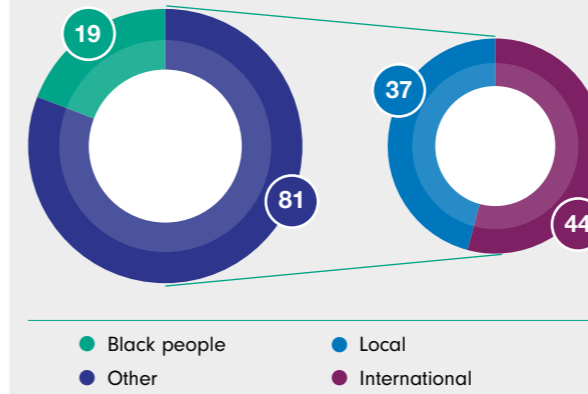


## Naspers: Broad-based black economic empowerment (BBBEE) generic scorecard<sup>1</sup>

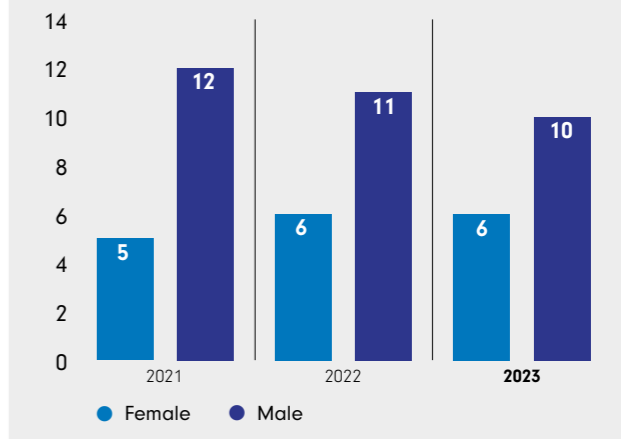
Element	Target score	Bonus points available	Bonus points achieved	Score achieved FY23
Equity ownership	25			20
Management control	9			2.25
Employment equity	10			4.39
Skills development	20	5	0.26	15.88 (includes the 0.24 bonus points)
Preferential procurement	27	2	2	16.36 (includes the 2 bonus points)
Enterprise and supplier development	15	2	2	17 (includes the 2 bonus points)
Socioeconomic development	5			5
<b>Total score</b>	<b>111</b>	<b>9</b>	<b>4.24</b>	<b>80.88 (includes the total 4.24 bonus points)</b>
Performance (%)				72.86%
BBBEE rating				Level 4
Priority elements achieved				Yes

<sup>1</sup> BBBEE is a form of economic empowerment legislated in South Africa.

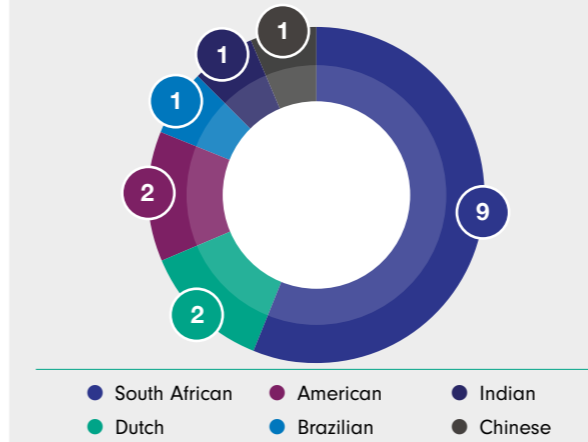
## Racial diversity (%)



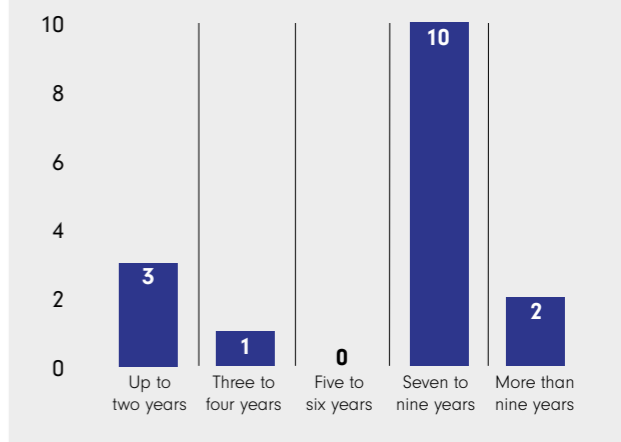
## Gender diversity



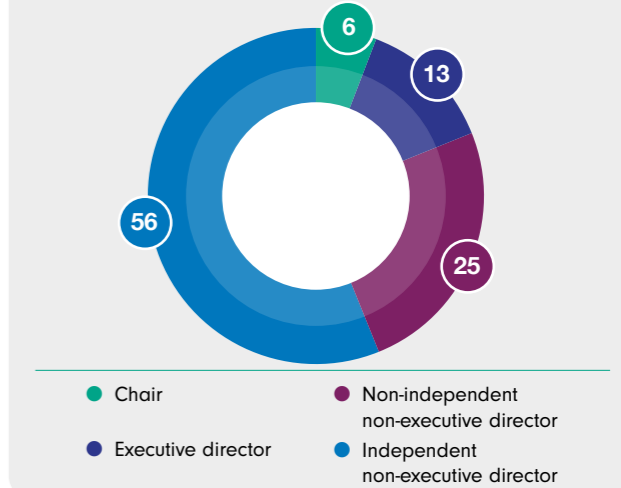
## Country of residence



## Tenure as a director



## Director classification (%)



**Composition**

Details of directors at 31 March 2023 are set out on pages 14 and 15.

Naspers has a unitary board, which provides oversight and control. The board charter sets out the division of responsibilities.

The majority of board members are independent non-executive directors and are independent of management. To ensure that no one individual has unfettered powers of decision-making and authority, the roles of chair and chief executive are separate.

The independence of each director was evaluated. The board determined that although some directors had served as members for nine years or longer, they all demonstrated they were independent in character and judgement, and there were no relationships or circumstances that were likely to affect or could appear to affect their independence.

The board diversity policy addresses the requirements in the JSE Listings Requirements for all listed companies to have a policy on how they address gender and race diversity at board level. The board is satisfied that its composition reflects the appropriate mix of knowledge, skills, experience, diversity and independence.

As set out in the board diversity policy, the board aims to achieve a one third female (and male) representation. Over the past three years, all new appointments to the board have been women. Subsequent to year-end, at the time of writing this report, one third of non-executive directors are women. This demonstrates the board's ongoing commitment to transformation in line with its board diversity policy.

The group recognises and embraces the benefits of having a diverse board and sees diversity at board level as an essential element in maintaining a competitive advantage. A diverse board will include and make good use of differences in the skills, geographical and industry experience, background, race, gender, and other distinctions between its members.

These differences will be considered in determining the optimum composition of the board and, when possible, will be balanced appropriately. All board appointments are made on merit, in the context of skills, experience, diversity, independence and knowledge, that the board as a whole requires to be effective.

The nominations committee reviews and assesses board composition on behalf of the board and recommends the appointment of new directors. This committee also oversees the annual review of board effectiveness.

**Roles and responsibilities**

**The board**

The board is responsible for the continuity of the company and its affiliated enterprises. The board focuses on long-term value creation of the company and subsidiaries, and considers the stakeholder interests that are relevant in this context.

The board serves as the focal point and custodian of corporate governance and is responsible for the corporate governance of the company, including: determining what business we are building, what we offer users and key objectives; and ensuring and monitoring that a culture of business ethics and conduct aimed at long-term value creation is promoted to underpin the group's activities as a responsible corporate citizen. This includes adopting values and a code, leading by example, and monitoring implementation to make the required disclosures on incorporation, compliance and effectiveness.

The board acknowledges that the group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process. In this regard, the board is responsible for group performance by steering and providing strategic direction to the company and ongoing oversight of the implementation of the strategy and business plan.

A charter setting out the board's responsibilities can be found on our website at [www.naspers.com/about/policies](http://www.naspers.com/about/policies).



**The chair**

The chair, Koos Bekker, is a non-executive director. The responsibilities of the chair are set out in the board charter and include:

- » Providing overall leadership to the board without limiting the principle of collective responsibility for board decisions, while being aware of individual duties of board members.
- » Ensuring a culture of openness and accountability within the board.
- » In conjunction with the chief executive, representing the board in communicating with shareholders, other stakeholders and, indirectly, the public.
- » Monitoring how the board works together and how individual directors perform and interact at meetings. The chair meets with directors annually to evaluate their performance.

**The chief executive**

The chief executive reports to the board and is responsible for the day-to-day business of the group and implementing policies and strategies approved by the board. Chief executive officers of the various businesses assist him in this task. Board authority conferred on management is delegated through the chief executive, against approved authority levels. The board is satisfied that the delegation-of-authority framework contributes to role clarity and the effective exercise of authority and responsibilities.

Bob van Dijk is the appointed chief executive. He has no other professional commitments outside the group.

Succession planning for the chief executive is considered annually.

The functions and responsibilities of the chief executive are set out in the board charter and include:

- » Developing the company's strategy for consideration, determination and approval by the board.
- » Developing and recommending to the board yearly business plans and budgets that support the company's long-term strategy.
- » Monitoring and reporting to the board on the performance of the company.

**Lead independent director**

Hendrik du Toit was appointed to act as lead independent director in all matters where there may be an actual or perceived conflict.

The responsibilities of the lead independent director are set out in the board charter and include:

- » Dealing with shareholders' concerns that contact through normal channels has failed to resolve, or where such contact is inappropriate.
- » Strengthening independence of the board if the chair is not an independent non-executive member.
- » Chairing discussions and decision-making by the board on matters where the chair has a conflict of interest.

**Independent advice**

Individual directors may, after consulting with the chair or chief executive, seek independent professional advice, at the expense of the company, on any matter connected with discharging their responsibilities as directors.

**Company secretary**

The group company secretary, Lynelle Bagwandeen, and David Tudor, group general counsel (and legal compliance officer), are responsible for guiding the board in discharging its regulatory responsibilities.

Directors have unlimited access to the advice and services of the persons noted above whose functions and responsibilities include (as appropriate):

- » Playing a pivotal role in the company's corporate governance and ensuring that, in line with pertinent laws, the proceedings and affairs of the board, the company and, where appropriate, shareholders are properly administered.
- » Acting as the company's compliance officer as defined in the Companies Act and as the delegated information officer.
- » Monitoring directors' dealings in securities and ensuring adherence to closed periods.
- » Attending all board and committee meetings.

The performance and independence of the company secretary are evaluated annually.

As required by JSE Listings Requirement 3.84(h), the board has determined that the company secretary, an admitted attorney with over 10 years of JSE-listed-company experience, has the requisite competence, knowledge and experience to carry out the duties of a secretary of a public company and has an arm's length relationship with the board. The board is satisfied that arrangements for providing corporate governance services are effective.



**Board meetings and attendance**

The board meets at least four times per year or more as required.

The projects committee attends to matters that cannot wait for the next scheduled meeting. Non-executive directors meet at least once annually without the chief executive, chief financial officer and chair present, to discuss the performance of these individuals.

The company secretary acts as secretary to the board and its committees and attends all meetings.

**Indemnification**

While the whole board remains accountable for the performance and affairs of the company, it delegates certain functions to committees and management to assist in discharging its duties.

Appropriate structures for those delegations are in place, accompanied by monitoring and reporting systems to ensure integrated thinking. As contemplated in the memorandum of incorporation and our insurance programme, indemnities have been issued by Naspers to its directors.

**Key focus areas for the year**

Through advice and supervision of management, the non-executive members of the board ensure that a culture of strong business ethics and conduct aimed at long-term value creation is promoted to underpin the group’s activities as a responsible corporate citizen (see the sustainability review on page 76).

Focus areas for the board in FY23 included enhancing reporting to our board committees and board on how we implement good corporate governance in the group in light of King IV. We have also focused on improved disclosures in the annual report.

Governance of information and technology, particularly data privacy and cybersecurity, remained focus areas along with sustainability.

We updated and enhanced multiple key group policies, including the sanctions and export controls policy.

**Board committees**

The board has constituted six committees from among the directors to assist in discharging its duties: audit; risk; social, ethics and sustainability; nominations; human resources and remuneration; and projects.

Each committee acts within agreed, written terms of reference. The chair of each committee reports at each scheduled board meeting.

The chairs of all committees (except projects) are non-executive directors and required to attend annual general meetings to answer questions.

The established board committees in operation during the financial year are set out below and the names of members in office during the financial year, as well as details of committee meetings attended by each member, appear in the table on page 122.

**Audit committee**

The audit committee seeks to support the board in assessing the integrity of the group’s financial reporting and by providing constructive challenges and oversight of the group’s activities and of its audit functions. It comprises a majority of independent non-executive directors and is chaired by Steve Pacak, a non-executive director. The board considers Steve to be independent of mind and judgement in his conduct as chair of the committee.

**Risk committee**

The purpose of the risk committee is to assist the board to discharge its responsibilities for the governance of risk through formal processes, including an enterprise-wide risk management process and system. The committee comprises two independent non-executive directors, as well as the chief executive and chief financial officer and is chaired by Steve Pacak, a non-executive director.

**Social, ethics and sustainability committee**

The primary objective of the social, ethics and sustainability committee is to assist the board in ensuring the company meets its statutory obligations in terms of section 72 and regulation 43 of the Companies Act. The committee is responsible for overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships for the group, taking into account specific disclosures and best practice as recommended by King IV.

The committee comprises a majority of non-executive directors, the chief executive, chief financial officer (alternate member) and chief executive of Media24. It is chaired by Debra Meyer.

**Nominations committee**

The nominations committee assists the board to determine and regularly review the size, structure, composition and effectiveness of the board and its committees, in the context of the company’s strategy.

The committee comprises a minimum of three non-executive directors, the majority of whom are independent. It is chaired by Rachel Jafta.

**Human resources and remuneration committee**

The main objective of this committee is to fulfil the board’s responsibility for the strategic human resources issues of the group, particularly focusing on the appointment, remuneration and succession of the most senior executives. The committee comprises a minimum of three non-executive directors. It is chaired by Craig Enenstein.

**Projects committee**

The projects committee is an ad hoc entity acting on behalf of the board in managing urgent issues when the board is not in session, subject to statutory limits and the board’s limitations on delegation. It comprises two non-executive directors, one independent non-executive director plus two executive directors. It is chaired by Koos Bekker.

**Evaluation**

The nominations committee carries out the evaluation process, which is not externally facilitated, annually.

As part of the review, the performance of the board and its committees, as well as the performance of the chair of the board, is considered against their respective mandates in the board charter and charters of its committees. The committees perform self-evaluations against their charters for consideration by the nominations committee and the board.

For the FY23 annual formal inhouse self-assessment, the performance of each director was evaluated by the other board members, using an evaluation questionnaire. The chair of the board discussed results with each director and agreed on any training needs or areas requiring attention by that director. Where a director’s performance is not considered satisfactory, the board will not recommend their re-election.

A consolidated summary of the evaluation was reported to and discussed by the board, including any actions required. The lead independent director leads the discussion on the performance of the chair, with reference to the results of the evaluation questionnaire, and provides feedback to the chair.

The board is satisfied that the evaluation process improves its performance and effectiveness.

The formal annual evaluation process showed that the board and its committees had functioned well and discharged their duties as per the mandates in their charters. The results of the board evaluation indicated that board members, collectively and individually, effectively discharged their governance roles. There were no remedial actions identified.



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## Induction and development

An induction programme is held for new members of the board and key committees, tailored to the needs of individual appointees. This involves industry and company-specific orientation, such as meetings with senior management to facilitate an understanding of operations. Board members are exposed to the main markets in which the group operates as well as relevant evolving trends in technology and business models.

The company secretary assists the chair with the induction and orientation of directors and arranges specific training if required.

The company will continue with directors' development and training to build on expertise and develop an understanding of the businesses and main markets in which the group operates.

## Conflicts of interest

Potential conflicts are appropriately managed to ensure candidates and existing directors have no conflicting interests between their obligations to the company and their personal interests. All directors are required to declare personal interests annually. Declaration of directors' interests is a standing item on the board's agenda. Directors who believe there may be a conflict of interest on a matter must advise the company secretary and are recused from deliberation and the decision-making process, and the Companies Act process is applied accordingly. Directors must also adhere to a policy on trading in securities of the company.

Refer to note 44 'Related party transactions and balances' on page 172 of the consolidated financial statements, which sets out the details of all related party transactions and balances.

## Discharge of responsibilities

The board is satisfied that the committees properly discharged their responsibilities over the past year.

Furthermore, the board complies, to the best of its knowledge, with the Companies Act and its memorandum of incorporation and monitors such compliance continually.

Members	Capacity	Attendance at meetings
SJZ Pacak (chair)	Non-executive	3/3 (100%)
M Girotra	Independent non-executive	2/3 (67%)
AGZ Kemna	Independent non-executive	3/3 (100%)
S Dubey	Independent non-executive	1/1 (100%)

## Mandate

The committee primarily oversees the integrity of the company's financial reporting, monitors the quality and integrity of the company's financial statements, reviews the company's internal controls and risk management.

## Key focus areas during the year

During the financial year, the committee focused on:

- » Considering the appointment of external auditors and monitoring the transition for rotating external audit firms.
- » Continuously evaluating internal financial reporting controls.
- » Considering group tax matters.
- » Evaluating the integrity and effectiveness of financial and non-financial reporting.
- » Considering the group's impairment assessments.
- » Reviewing going-concern assumptions, solvency and liquidity testing and the proposed dividend consideration.
- » Assessing the impact of changes to accounting standards.
- » Assessing the suitability of the finance function, internal auditors and external auditors.

## Key focus areas going forward

The committee's key focus for the 2024 financial year includes:

- » Ensuring a smooth transition of auditors from PwC to Deloitte.
- » Assessing the impact of changes to accounting standards.
- » Ensuring group reporting is in accordance with JSE Listings Requirements and any other requirements which arise due to Naspers' listings.
- » Ongoing compliance with King IV.
- » Focusing regularly on the group's working capital requirements and ensuring the group and its subsidiaries continue to operate as going concerns.
- » Reviewing and monitoring accounting for potential mergers, acquisitions and disposals and the conduct of impairment tests.

Details of key audit matters and actions taken or conclusions reached appear on page 130.

## Steve Pacak

Chair: Audit committee

26 June 2023



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Other information

Significant reporting matter	Conclusions reached/actions taken
<p><b>Applicable to the consolidated financial statements</b> Accounting for the equity-accounted investments in Tencent Holdings Limited (Tencent)</p> <p>Equity-accounted investments (refer to notes 10 and 11) are significant to the consolidated annual financial statements and the group is required to make certain adjustments to the underlying results of investees in respect of any significant transactions that occur between the investees' year-ends and 31 March.</p> <p>These adjustments require the exercise of critical management judgement and are significant in terms of magnitude.</p> <p>Accounting for the group's investment in Tencent was a significant matter due to the magnitude of the carrying amount, the significant contribution of the entity to the consolidated results of the group and the fact that Tencent has a year-end that is not coterminous with that of the group.</p> <p>In June 2022, the group began executing an open-ended share repurchase programme aimed at increasing the Naspers and Prosus net asset value per share. The repurchase programme is funded by an orderly on-market sale of Tencent shares held by the group.</p> <p>During the course of the financial year, the group sold 2.65% of Tencent's issued share capital resulting in a gain on partial disposal of US\$7.6bn. Management calculated the gain on partial disposal as the excess of the proceeds received on the disposal over the proportion of the carrying value of the investment disposed.</p> <p>In November 2022, Tencent declared a special interim dividend in the form of shares in Meituan Inc. which was distributed on 24 March 2023. Management accounted for the dividend received from Tencent relating to Meituan Inc. as a reduction of the carrying value of the investment in associate and the recognition of a fair value through other comprehensive income investment at the fair value on the date of distribution, amounting to US\$4.5bn</p> <p>For further information refer to note 2 and 10.</p>	<p>The committee received feedback from the group's representatives on the committees of Tencent and other significant equity-accounted investments. The committee reviewed the reporting of the contribution of equity-accounted investments to the group's results and financial position as part of their review of the consolidated annual financial statements. In addition, the committee received reporting from management on significant transactions related to equity accounted investments (ie dividends and disposals), the significant lag-period adjustments and/or adjustments made to the underlying results of investees to align the investees' accounting policies to those of the group.</p> <p>The committee was satisfied with the adjustments made and the critical judgements applied by management.</p>
<p>Impairment assessment of goodwill and intangible assets arising from business combinations and investments in associates</p> <p><b>Goodwill and intangible assets</b></p> <p>The group's net asset value includes significant amounts of goodwill and intangible assets (refer to notes 7 and 34).</p> <p>These balances are tested at least annually for impairment at the level of individual cash-generating units (CGUs). The recoverable amounts of the CGUs were based on either the fair value estimates by reference to recent funding rounds or market transactions (where applicable) or value in use estimates using discounted cash flow models. This process involves complex calculations and the exercise of critical management judgement regarding assumptions and estimates.</p>	<p>The committee received impairment reporting from management including the results of the group's annual impairment testing of goodwill and those assets where indicators of impairment existed. The committee reviewed this reporting in terms of the consistent application of management's testing methodology, the achievability of business plans and forecasts based on current and past performance, the Naspers board approval thereof and the critical assumptions applied.</p> <p>In addition, as impairment testing remains a key area of focus for the group's external auditor, the committee reviewed the external auditor's reporting on impairment testing and the valuations used for this purpose. The committee also received detailed written feedback from management on how valuation principles, areas of judgement and forecasts have been impacted by current economic conditions.</p>

Significant reporting matter	Conclusions reached/actions taken
<p>The announcement of the group's decision to exit the OLX Autos business due to ongoing macroeconomic and market challenges in March 2023 resulted in the need to update the goodwill impairment assessment performed at 31 December 2022.</p> <p><b>Investment in associates</b></p> <p>Impairment assessments for the group's listed equity-accounted investments related to Delivery Hero and Skillsoft as a result of a decline in the market capitalisation and the increase in country risk premiums for these investments. Impairment assessments for the group's unlisted equity-accounted investments related primarily as a result of the increase in market interest rates and the overall business performance.</p> <p><b>Share-based payments</b></p> <p>The group has several share-based compensation schemes (refer to note 38). The share-based payments arising therefrom involve complex valuations and the use of critical management judgement regarding assumptions, the classification of the schemes and estimates.</p>	<p>The impairment assessments for equity-accounted associates and joint ventures considered the financial performance of the investments during the period and determined whether there were any significant indicators, such as a decline in the market capitalisation for listed investments, significant market movements or any material financial losses for unlisted investments, that would result in an impairment loss.</p> <p>The group used its budgets and forecasts to perform discounted cash flow valuations or market prices where relevant, in order to determine the recoverable amount (the higher of its value in use and listed market prices) of its equity-accounted associates and joint ventures to identify whether any impairments should be recognised.</p> <p>Of all listed equity-accounted investments, impairment indicators were identified for Delivery Hero and Skillsoft due to the decline in their respective market capitalisations in respect to their carrying values. Impairment losses were therefore recognised for these investments as a result of the impairment assessment.</p> <p>For all unlisted equity-accounted investments impairment losses were recognised due to the financial performance falling below expectations during the current year.</p> <p>The committee received a report detailing the impairment considerations as well as the reasons the impairment losses were recognised for equity-accounted investments.</p> <p>Based on the above impairment assessments, the committee was satisfied with the appropriateness of the analysis performed by management and the impairment-related disclosures in the consolidated annual financial statements.</p>
<p><b>Valuation of share-based compensation schemes and share-based payments</b></p> <p>The group has several share-based compensation schemes (refer to note 38). The share-based payments arising therefrom involve complex valuations and the use of critical management judgement regarding assumptions, the classification of the schemes and estimates.</p>	<p>The committee acknowledged that the human resources and remuneration committee reviews the valuations, including assumptions and allocations, of the share-based compensation schemes as well as the various scheme rules.</p> <p>The committee noted the report of the human resources and remuneration committee will be tabled at the Naspers board meeting in August and will detail the results of these reviews as per the normal process. The committee noted that these valuations and the underlying assumptions are used for the accounting of share-based payments.</p> <p>The committee also reviewed the accounting and disclosure of share-based payments in the annual financial statements.</p> <p>As a result, the committee concluded that accounting and disclosure of share-based payments in the consolidated annual financial statements is appropriate.</p>

# Risk committee

Members	Capacity	Attendance at meetings
SJZ Pacak (chair)	Non-executive	3/3 (100%)
RCC Jafta	Independent non-executive	3/3 (100%)
AGZ Kemna	Independent non-executive	3/3 (100%)
V Sgourdos	Executive	3/3 (100%)
B van Dijk	Executive	3/3 (100%)

## Mandate

The committee assists the board in its oversight of the management of risk and risk governance in the group. Furthermore, the PayU risk advisory committee reports to the risk committee to ensure PayU management receives external independent advice and acts as an independent guardian to the risk committee on PayU-related matters.

## Key focus areas during the year

- » Recognising material risks to which the group is exposed and ensuring that the culture, policies and systems are implemented and functioning effectively.
- » Implementing and monitoring the processes of risk management and for integrating this into day-to-day activities.
- » Ensuring risks are adequately identified, evaluated and managed at the appropriate level in each business, and that their individual and joint impact on the group is considered via the enterprise-wide risk management process.
- » Monitoring the business insurance profile and insurance claims in progress.
- » Particularly focusing on data privacy, cybersecurity, sustainability, tax and IP.

Details of how we manage, govern and monitor information and technology, and compliance appear on pages 89 to 91.

Details of how risk, compliance, and information and technology are managed to result in the objectives recommended by King IV are contained in the King IV application report.

## Key focus areas going forward

An ongoing focus on managing changes in the risk environment, particularly for legal compliance, tax, sustainability and information, and technology-related risks such as cybersecurity, data privacy (specifically the implementation of the EU's General Data Protection Regulation) and the use of data-driven technologies.

**Steve Pacak**  
*Chair: Risk committee*  
 26 June 2023

# Social, ethics and sustainability committee

Members	Capacity	Attendance at meetings
D Meyer (chair)	Independent non-executive	2/2 (100%)
RCC Jafta	Independent non-executive	2/2 (100%)
FLN Letele	Non-executive	0/2 (100%) <sup>1</sup>
V Sgourdos (alternate)	Executive	2/2 (100%)
JDT Stofberg	Non-executive	2/2 (100%)
B van Dijk	Executive	2/2 (100%)
MI Davidson	Executive	2/2 (100%)

<sup>1</sup> Unable to attend meetings due to long-standing commitments and urgent family matters. However, Mr Letele provided input on matters to be addressed ahead of the meeting.

## Mandate

The committee fulfils statutory duties set out in regulation 43 of the Companies Act, has oversight of and reports on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships. It assists the board in developing and supervising the implementation of a long-term value-creation strategy, by bringing to the board's attention relevant sustainability matters, matters relating to business ethics and culture, and speaking up and other relevant stakeholder interests.

## Key focus areas during the year

- » Stakeholder interests and relevant sustainability aspects and matters relating to business ethics and culture and the speak up policy.
- » Skills and other programmes aimed at the educational development of employees.
- » Employment philosophy founded on promoting equality and preventing unfair discrimination.
- » Labour practices and policies, and how these compare to the International Labour Organization on decent working conditions.
- » Corporate social investment programmes, including details of donations and charitable giving.
- » The progress of addressing the principles of the UN Global Compact and OECD guidelines.
- » Consumer relationships, including the company's advertising, public relations and compliance with consumer protection laws.

## Key focus areas going forward

The committee recognises that areas in its mandate are evolving and that management's responses will also adapt to changes in the ESG agenda.

Legislation on ESG matters is rapidly developing. Particular attention will be paid to the group's journey to compliance with the evolving ESG legislative landscape.

Management will continue to improve techniques in how it reports to the committee on responsible corporate citizenship and sustainability, using ever-evolving legislation and the United Nations Sustainable Development Goals (UN SDGs). Accordingly, the group will continue to enhance the way it reports on corporate citizenship and sustainability to its stakeholders in the annual report.

**Debra Meyer**  
*Chair: Social, ethics and sustainability committee*  
 26 June 2023

# Nominations committee

Members	Capacity	Attendance at meetings
RCC Jafta (chair)	Independent non-executive	3/3 (100%)
JP Bekker	Non-executive	3/3 (100%)
HJ du Toit	Independent non-executive	3/3 (100%)
CL Enenstein	Independent non-executive	3/3 (100%)
R Oliveira de Lima	Independent non-executive	2/3 (67%)

## Mandate

The committee assists the board in ensuring performance of the board, its committees and directors. It reviews the composition of the board and its committees and recommends suitable candidates to fill vacancies in these governance structures and reviews continuous development programmes for directors.

## Key focus areas during the year

- » Evaluating the board composition to ensure it appropriately reflects the required skill set and diversity.
- » Assessing the composition of the board to execute its duties effectively.
- » Assessing the effectiveness of the board, its members and committees through a board-evaluation process.
- » Evaluating the performance and independence of the company secretary.

## Key areas of focus going forward

Focus areas for the committee going forward will include:

- » Assessing the composition of the board to execute its duties effectively.
- » Evaluating the board, including structure, size, composition, balance of skills, experience and diversity of the board and its committees.
- » Ensuring there is a succession plan in place for the role of chair of the board.

### Rachel Jafta

*Chair: Nominations committee*

26 June 2023

# Human resources and remuneration committee

Members	Capacity	Attendance at meetings
CL Enenstein (chair)	Independent non-executive	4/4 (100%)
JP Bekker	Non-executive	4/4 (100%)
R Oliveira de Lima	Independent non-executive	4/4 (100%)

## Mandate

The committee assists the board in ensuring remuneration policies and practices are aligned to the company's objectives for value creation and benchmarked to ensure fairness and competitiveness in remunerating employees to attract and retain key talent and critical skills required to deliver business goals and results.

## Key focus areas during the year

Please refer to the remuneration report.

## Key focus areas going forward

Key focus areas for the year ahead, include:

- » Continued engagement with shareholders on remuneration topics.
- » Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete globally for talent and that our offering is compelling, fair and responsible.
- » Achieving an appropriate mix of longer-term incentives, including those to which explicit performance conditions are attached.

## Remuneration report

Having achieved its objectives for the financial year, the committee sets out remuneration disclosure in the remuneration report, comprising our overarching remuneration policy for executive directors and non-executive directors, and commentary on how it has been implemented during the year. The remuneration report is prepared in accordance with the requirements of King IV. It is divided into three sections (background statement, remuneration policy and implementation) and is detailed on pages 136 to 166.

### Craig Enenstein

*Chair: Human resources and remuneration committee*

26 June 2023



**We aim to attract, motivate and retain the best people to create sustainable shareholder value.**

**Craig Enenstein**

Chair: Human resources and remuneration committee

**Members of the committee**

- » CL Enenstein (chair)
- » JP Bekker
- » R Oliveira de Lima

**Dear shareholder**

On behalf of the board, I am pleased to present our remuneration report for the 2023 financial year (FY23).

Despite continued global turmoil and uncertainty, the group has recorded a solid operational performance. In line with our strategy, we have concentrated on building strong momentum in our Ecommerce portfolio, driving for profitability.

**Business performance<sup>1</sup>**

On a consolidated basis, total revenue from continuing operations increased by US\$500m, or 8% (20%), from US\$6.3bn in the prior period to US\$6.8bn. This was primarily due to strong revenue growth in iFood, and Payments and Fintech.

Trading losses increased to US\$844m from US\$686m, representing increased organic investments to scale ecommerce extensions. However, trading losses in the second half of the year improved by 21% compared to the first half, demonstrating the group's commitment to achieve consolidated ecommerce profitability on a monthly basis in the first half of FY25.

The group's free cash outflow (excluding Avito) was US\$518m, a sizeable year-on-year improvement. This was due to improved working capital and lower withholding tax due to fewer Avito dividends being received. Excluding OLX Autos, free cash outflow was limited to just US\$138m. Tencent remains a meaningful contributor to the group's cash flow via a stable dividend of US\$565m.

Core headline earnings were US\$1.1bn – a decrease of 48% (14%) or US\$1.0bn, primarily due to lower contributions from the group's associates (US\$1.3bn), of which US\$1.1bn relates to Tencent.

**Discount to net asset value**

For FY23, in response to shareholder feedback, we introduced a discount-related, short-term incentive for the CEO and CFO. The board approved an open-ended repurchase programme of Prosus and Naspers shares, designed to efficiently unlock immediate value for shareholders and increase NAV per share over time. Funded by the regular sale of Tencent shares, the programme will remain active while the discount to NAV is at elevated levels.

We did not award longer-term incentives to the CEO and CFO for FY23.

During FY23, the discount, measured over the period of the programme through to the end of the fiscal year, saw a reduction in the discount from 58% to 42%, the discount reduction representing value creation of approximately US\$25bn, which represents a material improvement in the discount. The above-mentioned special incentive will be held in reserve until 31 March 2024 and remeasured against a clawback provision.

The committee has not awarded a similar incentive for FY24.

[Details of FY23 remuneration for executive directors appear on page 148 of this report.](#)

**Executive director remuneration**

For FY24, to incentivise long-term value creation, growth and shareholder alignment, we have returned to a more typical mix of incentives within the executive directors' remuneration packages and have once again awarded longer-term incentives, with a similar mix to the prior years.

**Rotation of independent valuations firm**

FY23 marks the first financial year for which KPMG has been responsible for performing the valuation work on our ecommerce assets, with Deloitte having stepped down at the end of FY22. We thank Deloitte for the work carried out.

**Disclosures**

We continue to focus on improving our disclosure on executive remuneration, in line with shareholder feedback and our bid for greater transparency. In addition to disclosing STI goals and achievements for FY23, we now disclose related targets retrospectively; this enhanced disclosure will enable an informed assessment of management's performance linked to incentive awards.

**Our stakeholder engagement**

We engage frequently and take extensive input from our investors to clearly demonstrate the link between Naspers' strategy, business performance and remuneration philosophy.

Each year, feedback from investor meetings is considered and debated by the remuneration committee as we continue to refine remuneration design and disclosure.

Recently, the inclusion of a discount-related incentive in the FY23 executive director remuneration packages and our enhanced disclosure around the KPIs associated with short-term incentives are examples of this input in action.

We strive for a higher level of N shareholder support for remuneration resolutions. In that spirit, we will continue to make appropriate changes to our remuneration design and

**Key focus areas during the year**

- » Reflecting the business performance in the FY23 remuneration decisions.
- » Ensuring correct pay-for-performance mix is applied.
- » Setting regular short-term incentive (STI) targets, including environmental, social and sustainability (ESG) goals that are measurable, sufficiently stretched and linked to the group's strategy.
- » Improving disclosure on executive remuneration in the annual report, in a bid for greater transparency.
- » Continuing engagement with shareholders on remuneration topics and making design adjustments in response, where appropriate.
- » Ongoing monitoring of market developments to ensure our remuneration structure allows us to compete globally for talent, and that our offering is compelling, fair and responsible.

**Structure of report**

In compliance with King IV, this report is split into the following sections:

1 **Background and policy:** Provides a detailed view of our approach to remuneration and information on the components of our executive pay packages.

[Read more on page 138.](#)

2 **Implementation of the remuneration policy:** Sets out information on how we implemented our policy for FY23.

[Read more on page 146.](#)

[We conclude with an additional information section on page 165.](#)

**Note:** All remuneration is presented at 100%, including the cost apportioned to Naspers.

disclosures. We will also continue to engage with our shareholders frequently.

I thank you for your feedback and support, and look forward to our future interactions.

**Craig Enenstein**

Chair: Human resources and remuneration committee

26 June 2023

<sup>1</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals.

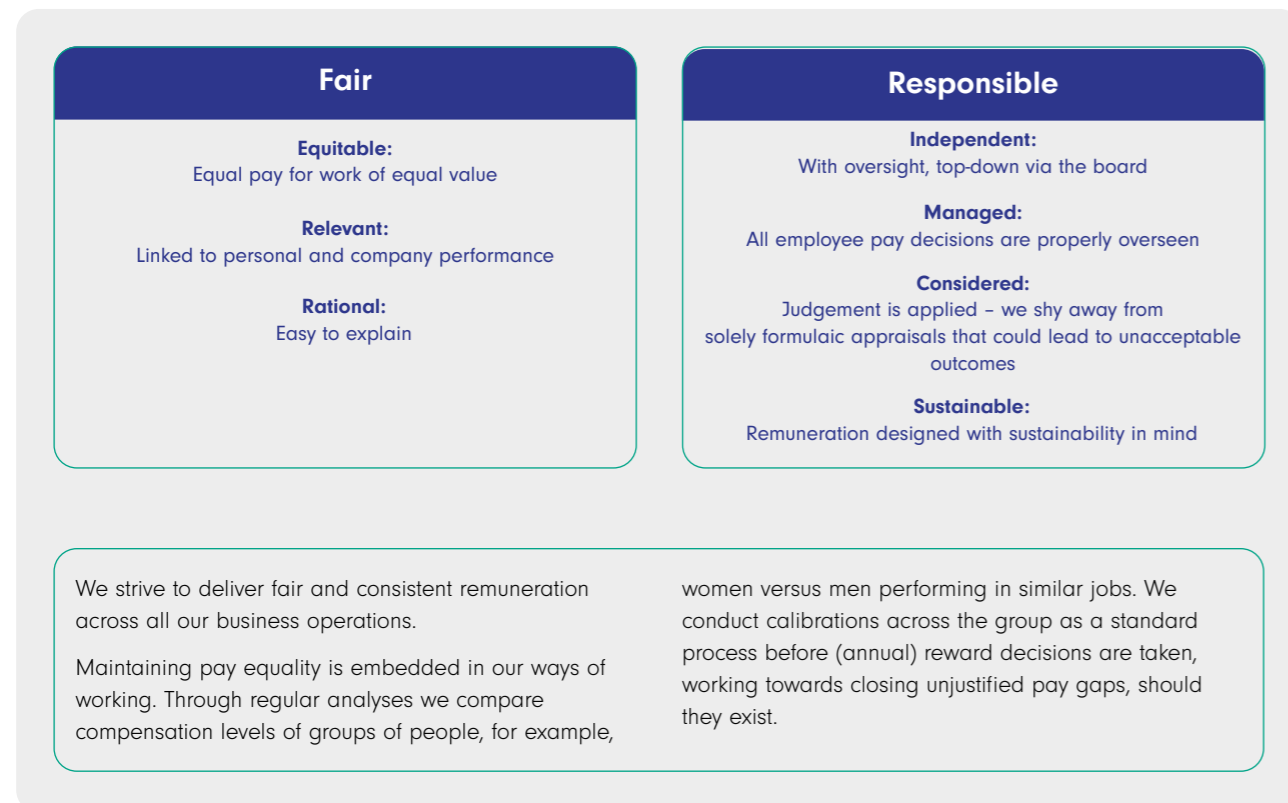
# Background and policy

## Our philosophy

Our remuneration philosophy underpins our group's strategy and enables us to achieve our business objectives. Our commitment to pay for performance and alignment with shareholder value creation drives all our remuneration activities and supports the ownership mentality and spirit of entrepreneurship in our teams around the world. We believe

in a level playing field for our people. We strive to pay fairly and responsibly. As much as possible, the structure of our pay is consistent, regardless of the seniority of the employee, ensuring equality of pay structures across all employees. In the committee's view, the remuneration policy achieved its stated objectives in the year under review.

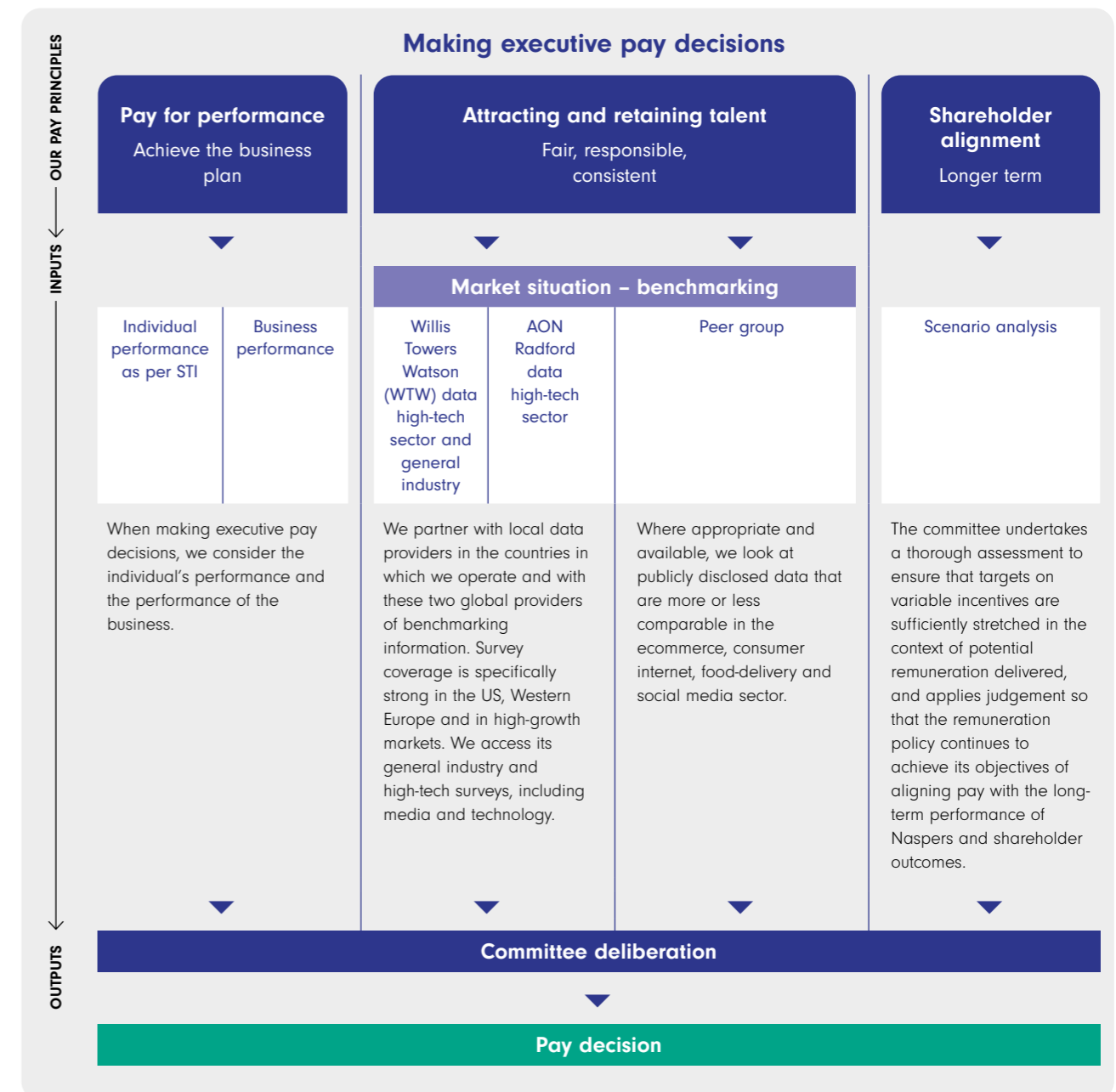
## Five key principles to guide our remuneration approach



## Our competitive environment for talent

### A global market for talent

We are a global rather than a South African company, operating in a highly competitive international environment. Most of our competitors are not listed in Johannesburg. Our remuneration practices are aligned within a global technology landscape and may differ from what is customary in the South African context. Executive talent comes from other international, often leading US-listed companies in the consumer internet sector, which forms the basis of our executive remuneration benchmarking.



<sup>1</sup> Long-term incentives (LTIs) are an important element of compensation for key employees, but in general are not broadly granted, in line with market practice.

**Our remuneration structure: Pay for performance**

Remuneration for our executive directors (CEO and CFO) consists of base salary, STI, LTI, pension and other benefits. The approach is similar for the CEO's other direct reports.

Our pay design links to our pay principles					
	Pay for performance	Shareholder alignment	Achieving the business plan	Consistency	Attracting and retaining talent
<b>Fixed remuneration</b>	✓	✓	✓	✓	✓
	<ul style="list-style-type: none"> <li>» Base salary reflects the contribution of the individual and market value of the role.</li> <li>» Paid monthly in cash.</li> <li>» May be reviewed annually; any increase is typically effective from 1 April each year.</li> <li>» Benefits typically include pension, medical insurance, and life and disability insurance.</li> </ul>				
<b>STI – Annual performance-related incentive</b>	✓	✓	✓	✓	✓
	<ul style="list-style-type: none"> <li>» Discretionary annual performance-related incentive with performance measures tailored to the executives' roles and responsibilities.</li> <li>» At least 50% of the bonus opportunity is based on delivering financial performance ahead of the board-approved business plan.</li> <li>» Sustainability goals are set for the short and longer term.</li> <li>» Target and maximum bonus opportunities are the same (no payout for over-performance against target), and the standard STI is set at 100% of base salary for both the CEO and CFO.</li> <li>» The committee undertakes a thorough assessment to ensure targets are rigorous and sufficiently stretched. STI payout is typically below the maximum 100% opportunity.</li> <li>» Any STI payout is made in cash.</li> <li>» The committee may apply judgement with discretion to make appropriate adjustments to the annual bonus.</li> <li>» The committee may consider an additional cash short-term incentive, aligned to specific shareholder interests, of no more than five times the annual fixed gross salary.</li> </ul>				
<b>LTI – Performance share units (PSUs)</b>	✓	✓	✓	✓	✓
	<ul style="list-style-type: none"> <li>» PSUs are designed to incentivise the increase in the value of internet businesses (excluding Tencent) and delivery of superior returns to shareholders.</li> <li>» Three-year cliff-vesting, subject to achieving the performance condition.</li> <li>» Performance condition is the three-year compound annual growth rate (CAGR) of the Global Ecommerce SAR scheme, relative to a group of industry peers.</li> <li>» Vested PSUs are settled in shares.</li> <li>» Further details on <a href="#">page 141</a>.</li> </ul>				
<b>LTI – Share appreciation rights (SARs)</b>	✓	✓	✓	✓	✓
	<ul style="list-style-type: none"> <li>» SARs incentivise the growth in value of the business units or an aggregation of underlying assets. See <a href="#">page 142</a> for details on the valuations process and the valuation performance of the Ecommerce portfolio linked to the SARs plan.</li> <li>» Any value upside delivered by individual businesses is offset by any value downside delivered by other businesses. This ensures that senior executives' remuneration is negatively affected if individual businesses do not perform.</li> <li>» The change in value is measured over a four-year period to ensure focus on the longer-term delivery of shareholder value.</li> <li>» Any gains are settled in cash.</li> </ul>				
<b>LTI – Share options (SOs)</b>	✓	✓	✓	✓	✓
	<ul style="list-style-type: none"> <li>» SOs: Any gains are based on the growth in share price over a four-year period.</li> <li>» Performance hurdle: Value is only delivered to participants if there is an increase in the share price.</li> <li>» Any gains are settled in shares.</li> </ul>				

Malus and clawback provisions apply to STI and LTI.

**Executive director participation in LTI plans**

The committee reviews three key elements before conducting the scenario analysis, to determine the size of any award of PSUs, SARs or SOs:

- » Strong short-term (annual) personal performance leading to a decision to grant an LTI.
- » Superior business performance over the executive's tenure, leading to value creation in the scheme and for the shareholder.
- » Industry benchmarking of executive compensation in consultation with external advisers Willis Towers Watson and FW Cook.

LTI awards represent a significant portion of total compensation. They are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders.

The entirety of our executive directors' LTI is determined by the performance of the company and growth in the valuation of the underlying assets and, as such, is deemed 'at risk'. LTI is only delivered to executive directors, providing the PSU performance conditions are met and the share price of SARs or SOs has increased in value, ensuring strict alignment with our wider stakeholder interests.

Detailed scheme rules provide for the operation and governance by trustees of each scheme.

**A blend of LTI**

Our executive pay is heavily weighted towards longer-term performance, typically delivered via PSUs, SARs, and SOs. Each element of the LTI programme plays a distinct part in implementing a remuneration approach that drives business performance for the longer term and is fair, responsible, consistent, aligned with shareholder outcomes and relevant to the talented executives we need to attract and retain (see table on page 138).

In recent years, we focused on compensating executive management on the performance of the global Ecommerce portfolio, excluding Tencent. In FY22 (when LTI was most recently granted), the PSU plan and SARs plan together made up 92.5% of the LTI allocation:

- » **PSUs** – measures the three-year CAGR valuation of the Ecommerce portfolio against a basket of global peers<sup>1</sup>.
- » **SARs** – measures the value creation of directly controllable factors in the global Ecommerce portfolio.

**PSUs**

Achievement of the performance condition will be assessed by the human resources and remuneration committee, based on the share price of the Global Ecommerce SAR Plan (in absolute and relative terms), validated by the valuations subcommittee as per the valuations process described on page 144.

The level of achievement relative to the performance condition at the end of the three-year performance period drives the number of shares that ultimately will vest:

- » **At threshold performance:** 50% of allocated shares would be awarded if performance is at the 25th percentile of the peer group.
- » **At target performance:** 100% of allocated shares would be awarded if performance is at the median of the peer group.
- » **At maximum performance:** 200% of allocated shares would be awarded if performance is at the 75th percentile of the peer group.

The PSU threshold level of achievement is deliberately set at the 25th percentile, as it is positioned against a highly competitive set of comparator companies, as referenced below<sup>1</sup>.

If the threshold level of performance is not achieved, no shares will be awarded to the participant. If more than maximum performance is achieved, no more than 200% of allocated shares would be awarded.

The board remains committed and incentivised to continue on the journey for long-term value creation of the group. To emphasise that intent, FY24 remuneration will be adjusted accordingly. Further details can be found on page 149.

<sup>1</sup> The 31 March 2023 peer group consists of Adevinata, Adyen, Alphabet, Amazon, Auto Trader Group plc, Booking Holdings, Deliveroo, DoorDash, eBay, Expedia Group Inc., IAC/InterActiveCorp, Just Eat Takeaway.com, Mercado Libre, Meta, Netflix, Ocado Group, PayPal Holdings, Sea Limited, Snap, Square, Wayfair Inc., Zalando SE and Zillow Group. Twitter was removed following its delisting in November 2022.



Blend of LTI	PSU	Global Ecommerce SAR	SOs
Plan characteristics	A performance share award that is transferred to participants after time restrictions have passed, subject to the performance condition being met.  PSUs typically vest in full on the third anniversary of the grant, subject to the performance condition being met.	A right to benefit from any increase in value of the business unit over which an award is made.  Vests over four years.	A right to buy a company share at a pre-agreed price.  Vests over four years.
Performance	Performance is determined based on verifiable financial results and metrics.	Embedded with a performance hurdle as there is no value to be gained unless there is an increase in share value in the underlying, unlisted consumer internet businesses (excluding Tencent) between grant and vesting/exercise.	Embedded with a performance hurdle as there is no value to be gained unless there is an increase in share value between grant and vesting/exercise.
Settlement	Depending on achievement against performance condition, between 0% and 200% of awarded PSUs may vest and Prosus or Naspers <sup>1</sup> shares are delivered <sup>2</sup> on vesting.	Gains, if any, are settled in cash.	Upon exercise, SOs are settled in Naspers or Prosus shares <sup>1,2</sup> .
Focus on longer-term value creation	Value driven by longer-term outcomes.	Valuation (by third party) driven by longer-term projections <sup>3</sup> .	Market cap represents longer-term value.
Alignment with shareholder interests	PSUs align the business strategy and objectives with executive compensation and shareholder returns.	Incentivises value creation in underlying ecommerce businesses (excluding Tencent).	Aligned with shareholders incentivising executive management to reduce the discount to NAV.

<sup>1</sup> The issue of PSU and SO awards, if any, will gradually be rebalanced between Prosus and Naspers shares, aligned with the free-float ownership in Prosus and Naspers.

<sup>2</sup> Shares are purchased on the market for cash to avoid shareholder dilution as a result of the company settling its LTI award obligations.

<sup>3</sup> Please see page 144 for further details on the valuation process.

## Valuations

### The Global Ecommerce portfolio

The performance of SARs and PSUs are determined by year-on-year changes in the per-share valuation of the group's Global Ecommerce portfolio. The Global Ecommerce scheme excludes the performance of Tencent.

### Methodology

The valuation is an amalgamation of a number of individual schemes and assets which are valued annually, or in the interim if required, by an independent external valuer. In determining the company value and the scheme share value, the valuer shall use the appropriate application of reasonable valuation methods, including, without limitation, the use of comparable peer multiples, precedent transactions and discounted cash flow (DCF) valuations. Importantly, the methodology deployed in valuing the ecommerce schemes has remained consistent since inception, which is essential both for the legitimacy of the valuation and for transparency for the scheme participants.

Where predominantly employing a DCF methodology, the valuer is using assumptions for future cash generation, discount rates and long-term growth. These valuations assess the pathway to value creation and should serve as a critical component of a comprehensive compensation vehicle designed to align management performance and compensation, excluding Tencent, with shareholder outcomes. It is also important to note that funding is initially dilutive to value, and many of our companies are early-stage or loss-making, meaning that the schemes are diluted by short-term investment and acquisitions. The Global Ecommerce portfolio scheme is made up of underlying schemes, each of which has a different set of assumptions.

### 2023 valuation outcome

The group's assets are on track for consolidated profitability as communicated to investors, while our businesses continue to identify additional investment areas to expand their overall opportunity sets. Despite this, a decline in the value of the portfolio will reflect the re-rating of all our listed assets, including Delivery Hero in particular, and to a lesser extent a decline in the value of our unlisted assets where the market inputs, like risk-free rates, increased compared to 2022 and will drive lower valuations. We continue to see declines in the private market valuations, closing the gap to the declines experienced in the public company valuations.

These declines in the market were noted at 30 September 2022 and, given the meaningful downward market movements and rising inflation resulted in higher interest rates, the decision was taken to perform an interim valuation at 30 September 2022.

For the financial year, the group's assets continued to perform to their plans with a commitment to deliver consolidated Ecommerce trading profit during the first half of FY25. The updated valuations at 31 March 2023 reflect the performance of our businesses in the context of the continued difficult macroeconomic environment.

**Governance of our valuation process**

Valuation process			
Underlying business submits 10-year business plan and annual budget.	Naspers reviews the 10-year business plans for each underlying business and provides them to the external valuer.	Independently from management, the valuer values the underlying assets at 31 March annually and additionally, whenever a significant change occurs.	The valuer issues a report detailing the valuation for each of the underlying operations.

Segment schemes and the ecommerce schemes are a 'basket of assets' representing the valuation of the underlying operations

Governance			
<b>1 Report issues</b> →	<b>2 Review</b> →	<b>3 Submission</b> →	<b>4 Approval</b> →
The external valuer <sup>1</sup> issues a report with the respective share scheme valuations.	The valuations subcommittee of the human resources and remuneration committee reviews the valuations before recommending the values for approval to the human resources and remuneration committee. The subcommittee consists of members of the board: Craig Enenstein (chair) and Steve Pacak.	Reports from the valuer and the valuations subcommittee are submitted to the human resources and remuneration committee as part of their approval process.	Once the human resources and remuneration committee approves the valuations and resultant share prices, the share prices will be updated and participants can exercise their SARs or SOs at these updated prices in accordance with the trading-in-securities policy.

<sup>1</sup> The group has appointed KPMG as the new external valuer, conducting the valuations for the group's unlisted assets from FY23 onwards.

Ecommerce portfolio and SARs performance 2021 to 2023				
	2021	2022 <sup>1</sup>	2023	
Ecommerce valuation (US\$m)	39 109	35 780	<b>28 049</b>	
Ecommerce valuation growth	76.6%	(8.5%)	<b>(22%)</b>	
SAR share price (US\$m)	64.28	49.91	<b>38.11</b>	
Notional shares	15 210 390	17 923 495	<b>18 401 174</b>	

<sup>1</sup> Adjusted to account for the disposal of Avito. As reported last year, vesting of the first PSU awards was delayed by our announced intention to decouple Avito operationally from the group.

**Governance**

**Recruitment policy**

On appointing a new executive director, their package will typically be in line with our remuneration policy. To facilitate recruitment, it may be necessary to 'buy out' remuneration forfeited on joining the company. This will be considered on a case-by-case basis and cash or LTI may be used.

**Termination policy**

Payments in lieu of notice may be made to executive directors, comprising salary for the unexpired portion of the notice period. Such payments may be phased. On termination, there is no entitlement to an annual performance-related incentive (STI). However, the committee retains the discretion to award a bonus to a leaver during the financial year, taking into account the circumstances of their departure, considering pro-rating for time and actual performance achieved.

There is no entitlement to a particular severance package in executive directors' contracts.

**Malus and clawback**

Malus and clawback provisions apply to STIs and LTIs awarded to executive directors and the CEO's direct reports (in line with article 135(6) and (8) of Book 2 of the Dutch Civil Code and the remuneration Policy). All or part of the unpaid STI may be modified or cancelled and all or part of the unvested LTI may be modified or cancelled. In addition, all or part of the vested LTI may be claimed back. Malus and clawback provisions may be invoked for certain material events, including cases of material financial misstatement or gross misconduct on the part of the executive director or direct reports of the CEO.

**Service contracts**

Executive directors' contracts comply with terms and conditions in the relevant local jurisdiction.

	Bob van Dijk	Basil Sgourdos
Date of appointment at the group	1 August 2013	1 August 1995
Date of appointment to current position	1 April 2014	1 July 2014
Employer notice period	Six months	Three months

**Other non-executive roles**

Bob van Dijk stepped down as non-executive director of Booking Holdings Inc. on 9 June 2022.

Neither Bob nor Basil Sgourdos holds any board positions outside the Prosus and Naspers groups.

**Shareholding requirement for the CEO**

To reflect the balance of the underlying value of economic interests between Naspers and Prosus, the CEO is required to maintain a Naspers shareholding of four times his annual salary and a Prosus shareholding of six times his annual salary.

**Non-executive directors' remuneration policy**

The fee structure for non-executive directors has been designed to ensure we attract, retain and appropriately compensate a diverse and internationally experienced board of non-executive directors, given the highly competitive markets in which we operate, and the global competition we face.

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 group board committees and subsidiary boards, to reflect the additional responsibilities and associated time commitment. Remuneration is reviewed regularly and is not linked to the company's share price or performance. Non-executive directors do not qualify for share allocations under the group's incentive schemes.

The remuneration of non-executive directors is determined after regular benchmarking that primarily considers international comparators in the consumer internet and media sectors, as well as the top 10 AEX-listed and JSE-listed companies.

**Dual responsibilities**

Non-executive directors receive no additional compensation for their dual responsibilities to Naspers and Prosus. However, the aggregate cost of their compensation is currently allocated 70% to Prosus and 30% to Naspers. The split was determined based on the underlying assets and the amount of time required to sufficiently assume the dual responsibilities.

**Non-executive directors' terms of appointment**

The board has procedures for appointing and orienting directors. The nominations 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 input in identifying potential candidates and we frequently engage the services of a reputable search firm. Members of the nominations committee propose suitable candidates for consideration by the board. A fit and proper evaluation is performed for each candidate.

**Retirement and re-election of non-executive directors**

The governance structures of Prosus and Naspers substantially mirror each other. Prosus and Naspers have an identical one-tier board structure of executive and non-executive directors.

All non-executive directors are subject to retirement and re-election by shareholders every three years. 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.

**Shareholder engagement**

In FY23, we engaged with our shareholders through regular in-person and online meetings, including the topic of remuneration.

We have outlined the committee's decision process on remuneration on page 139. A remuneration section is included on our investor pages on our website at [www.naspers.com](http://www.naspers.com).



# Implementation of remuneration policy

## Aligning remuneration to our strategy and performance

In this section, we outline how our remuneration policy for executive directors has been implemented in FY23 and how we intend to operate it in FY24. All decisions on executive remuneration have been made in line with our remuneration policy for this financial year and reflect our business performance.

Our strategy	<ul style="list-style-type: none"> <li>» We partner with local entrepreneurs to build global technology leaders.</li> <li>» We operate at the intersection of high-growth markets and technology to address major societal needs at scale.</li> <li>» We build sustainable leadership positions in high-growth markets.</li> <li>» We build businesses with big potential to address societal needs.</li> </ul>
Our business priorities	<ul style="list-style-type: none"> <li>» Food Delivery</li> <li>» Classifieds</li> <li>» Payments and Fintech</li> <li>» Edtech</li> <li>» Etail</li> <li>» Other: Ventures</li> <li>» Social and internet platforms.</li> </ul>
Our financial highlights <sup>1</sup>	<ul style="list-style-type: none"> <li>» Revenue US\$33.2bn, -5% (7%), driven by a healthy 19% (29%) increase in Ecommerce segment revenues.</li> <li>» Trading profit declined to US\$3.3bn, reflecting a lower share of profits from Tencent and continued investment in our Ecommerce growth extensions, which include: credit, quick commerce and grocery delivery.</li> <li>» Core headline earnings decreasing to US\$1.1bn.</li> </ul>
Our operating highlights <sup>1,2</sup>	<ul style="list-style-type: none"> <li>» Ecommerce businesses consolidated revenue grew 8% (20%) to US\$6.8bn, with the biggest contributions to growth from Food Delivery, and Payments and Fintech. Consolidated trading losses from continuing operations of US\$639m reflected our focused approach to incremental investment in our Ecommerce growth extensions. Going forward, we expect a continued reduction in trading losses in each reporting period as a result of continued efficiencies and cutting back aggressively on costs.</li> <li>» Food Delivery continued to deliver robust growth in the core restaurant food-delivery business as well as in grocery marketplace and quick commerce, while improving its overall profitability. Profit improvement was driven by increased scale and margin improvement in the core restaurant food-delivery businesses, as well as a more targeted investment in growth extensions such as grocery and quick commerce. Total gross merchandise value (GMV) grew 18% (27%), while revenue, on an economic-interest basis, increased 40% (44%) to US\$4.2bn.</li> <li>» Core Classifieds businesses delivered sustained growth and improved profitability, driven by stable operating metrics and a strong performance in Europe. However, core Classifieds was negatively impacted by currency movements. On an economic-interest basis, revenue decreased in nominal terms but grew 15% to US\$722m in local currency, excluding M&amp;A, and reported a trading profit of US\$60m.</li> <li>» Payments and Fintech continued to see meaningful growth in the core PSP (payment service provider) business and in its burgeoning Indian credit business. The segment grew its economic-interest revenue 32% (51%) to US\$1.1bn. On a consolidated basis, the core PSP business and credit drove PayU's revenue growth of 32% (52%) to US\$903m. The trading loss was US\$83m (FY22: US\$46m), at a negative margin of 9% (FY22: -7%) due to a once-off loss provision of US\$23m. Excluding this provision, the PSP business remained profitable.</li> <li>» Edtech segment revenues grew by 28% (18%) to US\$545m and trading losses increased to US\$258m. Growth was affected by decreased demand given the macroeconomic downturn. Our portfolio companies have reacted quickly to changing market conditions and have begun to rationalise their cost structures and investments. Our majority-owned enterprise platforms, Stack Overflow and GoodHabit, continued to grow, driven by investments in sales headcount, product enhancements and global footprint expansion, which weighed on profitability.</li> <li>» Etail: eMAG had a mixed performance due to decreased consumer demand in a deteriorating macroeconomic environment, the war in neighbouring Ukraine, and a needed restructuring of its Hungarian business. eMAG's revenue declined by 14% (4%) to US\$2.0bn, reflecting a 17% (7%) local currency decline in its core Etail business, which was partially offset by strong growth from its restaurant (Tazz) and grocery-delivery (Freshful) services. While overall GMV decreased 13% (4%), third-party (3p) ecommerce business grew GMV 3% (14%) which was offset by a first-party (1p) decline of 20% (11%). These changes were driven by changes in category mix, which is ultimately more supportive of margins. In total, the business reported a trading loss of US\$53m, compared to a US\$34m trading loss last year.</li> </ul>
Remuneration outcome FY23	<ul style="list-style-type: none"> <li>» We have focused on the path to profitability this year and met our COHE and FCF goals, but missed our organic revenue growth target. The next page contains information on the annual change of CEO compensation linked to the performance of the company, as well as the FY23 remuneration for the CEO and CFO as shown in the single-figure table. The outcomes of STI linked to all group financial goals and strategic, operational and sustainability goals are disclosed on pages 150 and 151.</li> </ul>

<sup>1</sup> All figures from continuing operations.

<sup>2</sup> In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals.

## Aligning remuneration to our strategy

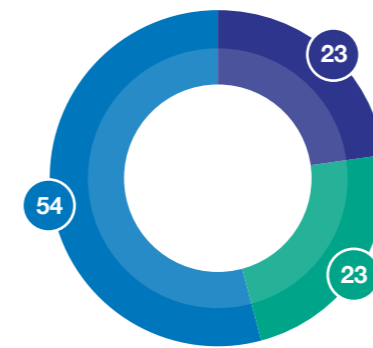
### Compensation is substantially 'at risk' and longer term

In FY23, the remuneration committee emphasised the importance of reducing the discount to net asset value in the short term by materially increasing the CEO and CFO's short-term variable compensation exposure to this goal. The discount-linked incentive for FY23 will only be paid out if the improvement is sustained or improved on, as at 31 March 2024. This was a unique event and a further discount-related incentive is not part of the remuneration of the executive directors in the coming year (FY24).

The committee is focused on delivering executive incentives that are predominantly focused on longer-term value creation.

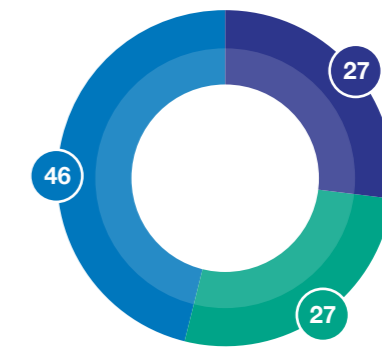
### Remuneration mix awarded in FY23

Bob van Dijk (%)



Annual fixed pay	23%
Annual STI (target)	23%
Annual fair value LTI	0%
Discount-linked STI (target)	54%

Basil Sgourdos (%)



Annual fixed pay	27%
Annual STI (target)	27%
Annual fair value LTI	0%
Discount-linked STI (target)	46%

## Business performance and remuneration outcomes

### Executive directors' remuneration versus company performance

	FY23 <sup>6</sup> (%)	FY22 (%)	FY21 (%)	FY20 <sup>4</sup> (%)	CAGR <sup>5</sup> (%)
<b>CEO remuneration</b>					
Cash <sup>1</sup> year-on-year change	145	(13)	5	9	25
LTI <sup>2</sup> year-on-year change	(100)	(2)	3	28	(100)
<b>CFO remuneration</b>					
Cash <sup>1</sup> year-on-year change	98	(9)	5	13	21
LTI <sup>2</sup> year-on-year change	(100)	(2)	17	26	(100)
<b>Company performance</b>					
Organic revenue growth <sup>3</sup>	7	24	33	23	20
Organic revenue growth <sup>4</sup> (excluding Tencent)	31	50	51	32	35
Ecommerce share price growth	(24)	(22)	55	15	1

<sup>1</sup> Base salary + benefits + actual bonus payout, using the currency in which the CEO (in €) and CFO (in US\$) are paid. The primary reason for the FY23 increase is the inclusion of the discount-linked STI.

<sup>2</sup> Fair value at grant, using the currency (US\$) in which we grant LTIs.

<sup>3</sup> Metric, excluding impact of foreign exchange (FX) and M&A.

<sup>4</sup> FY20 growth measured from date of listing. It is noted that all remuneration is presented on a full-year basis and at 100%, including the cost that is apportioned to Naspers.

<sup>5</sup> Period CAGR is between FY20 and FY23.

<sup>6</sup> Includes continuing operations (excluding a portion of OLX Autos).

## Single-figure table FY23 remuneration

The tables below show a single figure for the remuneration and the implementation of the remuneration policy in FY23 for the executive directors. Salary increases were not awarded to the executive directors in FY23.

### FY23 single-figure table

Executive director	Variable remuneration							Proportion of fixed and variable remuneration
	Base salary	Standard STI <sup>1</sup>	Discount-linked STI <sup>2</sup>	LTI <sup>3</sup>	Pension	Other benefits <sup>4</sup>	Total remuneration <sup>5</sup>	
Bob van Dijk, CEO	1 296	895	3 150	0	85	46	5 472	24%/76%
Basil Sgourdos, CFO	1 107	923	1 845	0	87	10	3 972	28%/72%

### FY23 single-figure table

Executive director	Variable remuneration							Proportion of fixed and variable remuneration
	Base salary	Standard STI <sup>1</sup>	Discount-linked STI <sup>2</sup>	LTI <sup>3</sup>	Pension	Other benefits <sup>4</sup>	Total remuneration <sup>5</sup>	
Bob van Dijk, CEO	1 405	970	3 414	0	92	49	5 930	24%/76%
Basil Sgourdos, CFO	1 200	1 000	2 000	0	94	16	4 310	28%/72%

<sup>1</sup> Actual payout against FY23 performance; achievement of STI goals is shown on pages 150 and 151.

<sup>2</sup> The discount-linked STI will be held and paid out after 31 March 2024 should the assessed discount be sustained or improved.

<sup>3</sup> No LTIs were granted in FY23 to executive directors. The IFRS 2 expense recognised for unvested and vested but unexercised LTI awards at 31 March 2023 is -US\$97.6m (-€93.6m) (2022: -US\$27m (-€23.3m)) for the -US\$4.1m (-€4.0m) (2022: US\$4.3m (€3.7m)) for the CFO and does not reflect the impact of the non-adjusting subsequent event on the intended sale of Avito. The total IFRS 2 expense is shown in note 44 - Related party transactions and balances (executive directors' remuneration) of the consolidated financial statements.

<sup>4</sup> Medical insurance, life and disability insurance.

<sup>5</sup> Executive directors are executive directors of both Naspers and Prosus. The costs of their remuneration as executive directors of these entities are split 10/90 between Naspers and Prosus. The remuneration paid to executive directors above reconciles with executive directors' remuneration disclosed in note 44 of the consolidated financial statements. In note 44, we show base pay, STI, pension and benefits at 10% of the aggregate cost as set out in this remuneration report, plus the full IFRS 2 expense of the LTI per this footnote 3, minus the FY23 LTI awards in fair value at grant, as shown in this single-figure table.

## Special discount-related short-term incentive Discount-linked STI

A special one-year cash incentive related to reducing the discount to net asset value was introduced in FY23. This discount-linked STI will only be paid on successful discount reduction at the discretion of the human resources and remuneration committee.

During the financial year, a new initiative was developed whereby the group sold Tencent shares and purchased Prosus and Naspers shares with the associated proceeds.

The new initiative resulted in the sale of Tencent shares with a market value of US\$10.7bn and the purchase of a commensurate amount of Prosus and Naspers shares.

During FY23, the discount, measured over the period of the programme through to the end of the fiscal year, saw a reduction in the discount from 58% to 42%, the discount reduction representing value creation of approximately US\$25bn, which represents a material improvement in the discount.

The reduction of the discount and value created during the period represents a material improvement in the discount and the committee has deemed that the incentive should be paid,

subject to the one-year holding period which was communicated at the outset.

The incentive will only vest, if at 31 March 2024 the discount improvement is sustained or improved. To be clear, so long as the discount at 31 March 2024 remains no greater than the 42% level indicated at 31 March 2023, the discount-linked incentive will be deemed vested and then paid.

As of the end of the fiscal year, the Tencent sale and share purchase programme remained active. No further discount-related incentive is proposed for FY24.

## CEO's remuneration compared to average employee remuneration

As we operate in high-growth economies where socio-economic disparity can be large, societal fairness is very important to us. As such, we ensure that our pay practices around the world are fair and competitive and well above minimum-wage standards. Pay is an important aspect, but not the only consideration. In general, our people join us because of the opportunity to do meaningful work where they can make a difference and can learn and grow.

When reviewing the CEO's remuneration, the human resources and remuneration committee considers employee remuneration globally across the group.

As a consumer internet company, we have a wide geographical footprint. Most of our activities and employees are based in high-growth countries, including India, Brazil, Central and Eastern Europe, and South Africa. On a global level, the CEO pay ratio versus employees (including LTI) would be 253:1 (FY22: 347:1, FY21: 316:1, FY20: 311:1). However, we do not consider the pay ratio to be an appropriate measure of fairness given the widely different pay levels observed in the countries where we operate. If we compare CEO pay versus employees in the Netherlands it shows a ratio of 30:1 (FY22: 40:1, FY21: 19:1, FY20: 22:1). The decrease from FY22 to FY23 is due to the CEO not receiving an LTI.

Also, as shown on page 147, the pay-at-risk portion for the CEO and, within that, more specifically LTI as a result of historical allocations, weighs heavily in our total executive remuneration mix. This approach is typical within the consumer internet and technology sector where we compete for talent. For completeness, we have also reviewed pay ratios excluding LTI, showing a ratio of 118:1 (FY22: 71:1, FY21: 75:1, FY20: 72:1) globally and 22:1 (FY22: 14:1, FY21: 6:1, FY20: 8:1) for the Netherlands.

The ratios are obtained by dividing the FY23 total remuneration for the CEO by the FY23 average total remuneration of all other employees (which includes salaries, wages, on-target bonus, pension and benefits for employees, excluding contractors). It excludes training and development that we offer to our employees. Details of staff costs appear in note 15 on page 80 of the consolidated financial statements.

## Competitive pay – knowledge workers

We review the pay levels of our staff at least annually: relative to pay in the markets and countries where we operate, our reward levels are competitive. We see the effectiveness of our reward philosophy and practices confirmed via our formal employee engagement surveys. In recent years, most employees find that they are paid fairly, relative to similar jobs in other companies, reporting a high satisfaction level that is above external benchmarks.

## Fairness

We strive to deliver fair and consistent remuneration across all our business operations. At all levels, we ensure our pay practices around the world are fair, competitive and above local minimum-wage standards. We ensure critical benefits and protection for our entire workforce are in line with the markets in which we operate.

## Pay equality

Maintaining pay equality is embedded in our ways of working, where we compare compensation of groups of people, for example, women versus men performing in similar jobs. We conduct calibrations across the group as a standard process before (annual) reward decisions are taken, working towards closing unjustified pay gaps, should they exist.

## STI – FY23 goals, targets and achievements

Short-term incentives (STIs) are based on financial, strategic, operational and sustainability performance targets tailored for each role, including financial objectives on the underlying business performance.

The minimum STI payout was 0% of base salary. The target and maximum STI opportunity are the same at 100% of base salary, ie there is no opportunity to overachieve on bonus payout.

Measurements for bonus achievement were based on the business plan for FY23.

We disclose STI goals and achievements for FY23, as well as FY23 targets retrospectively, from this financial year.

In the annual report, we have highlighted metrics or developments for FY23 that were included in the STI of executive directors as indicated on pages 150 and 151.

## Investing for sustainable long-term value creation

Naspers competes with tech companies of every size in the consumer internet industry worldwide. To compete effectively, our assets need to reach scale – in user numbers and markets served – relatively quickly. For Naspers, this translates to significant investment and support through their early loss-making years: our diverse portfolio allows us to sustain this investment phase or divest from assets that no longer meet our stringent criteria. This is a strategic choice as we search for entrepreneurs who can build global tech leaders addressing societal needs in high-growth markets. At the same time, we have an obligation to shareholders who entrust their capital to Naspers to create sustainable long-term value through disciplined capital allocation and robust financial performance. Against our stated goal of profitability across our core Ecommerce segment by the first half of FY25, it is appropriate to incentivise management to find the correct balance between investing for growth and competing effectively.

**Outcomes of STIs**

The outcomes of the annual STI as shown below and on page 151 resulted in annual bonus payout levels of €895 168 or 69% of base salary for Bob van Dijk (CEO) and US\$1 000 243 or 83.3% of base salary for Basil Sgourdos (CFO).

All financial, strategic, operational and sustainability goals are measurable and validated.

**FY23 goals and achievements**

**Bob van Dijk**

Maximum STI opportunity: 100% base salary.

Group financial goals <sup>1</sup>	Weighting (%)	Target	Actual results	Outcome <sup>2</sup>	Actual payout
<b>Core headline earnings (including Tencent)</b>	<b>19.05</b>	US\$564m	US\$1 056m	✓	€246 965
<b>Free cash flow</b>	<b>19.05</b>	-US\$1.2bn	-US\$518m	✓	€246 965
	<b>38.10</b>				<b>€493 930</b>
<b>Strategic, operational and sustainability goals</b>					
Group financial goals <sup>1</sup>	Weighting (%)	Target	Actual results	Outcome	Actual payout
<b>Ecommerce financials<sup>1</sup></b>	<b>14.28</b>	Organic revenue growth of 35%	29%	X <sup>2</sup>	€0
	<b>14.28</b>	Trading loss of -US\$1.85bn	-US\$1.50bn	✓ <sup>2</sup>	€185 127
<b>Sustainability: Diversity and inclusion</b>	<b>16.67</b>	89% favourable response to the question 'I feel respected at my company' in the annual engagement survey	86%; details can be found on page 82	X	€0
<b>Sustainability: Climate sustainability</b>	<b>16.67</b>	Reduce scope 1 and 2 emissions to zero at group level <sup>3</sup> by year-end FY23	Scope 1 and 2 emissions are reduced to zero at group level <sup>3</sup> ; details can be found on page 100	✓	€216 111
	<b>61.90</b>				<b>€401 238</b>

<sup>1</sup> Financial goals, actual results and outcomes based on Naspers economic interest results.

<sup>2</sup> Outcome assessed after adjustments for M&A, foreign exchange/constant currency and other approved items.

<sup>3</sup> As determined by the board. As part of our climate mitigation effort in FY23, our corporate offices located in London and Amsterdam procured green electricity. For the other corporate offices in the scope of reporting and as part of our climate change mitigation, we have procured renewable-energy certifications for our scope 2 emissions.

**FY23 goals and achievements**

**Basil Sgourdos**

Maximum STI opportunity: 100% base salary.

Group financial goals <sup>1</sup>	Weighting (%)	Target	Actual results	Outcome <sup>2</sup>	Actual payout
<b>Core headline earnings (including Tencent)</b>	<b>19.05</b>	US\$564m	US\$1 056m	✓	US\$228 665
<b>Free cash flow</b>	<b>19.05</b>	-US\$1.2bn	-US\$518m	✓	US\$228 665
	<b>38.1</b>				<b>US\$457 330</b>
<b>Strategic, operational and sustainability goals</b>					
Group financial goals <sup>1</sup>	Weighting (%)	Target	Actual results	Outcome	Actual payout
<b>Taxation</b>	<b>9.52</b>	Execute plans to navigate the changing global tax landscape	Details can be found on page 110	✓	US\$114 272
<b>Governance, internal audit and risk management</b>	<b>9.52</b>	Ensure effective systems of internal control are operated throughout the group's controlled entities	Details can be found on page 40	✓	US\$114 272
<b>Balance sheet</b>	<b>9.52</b>	Take action to support our debt ratings responding to macro impacts on the balance sheet	Details can be found on page 44	✓	US\$114 272
<b>Sustainability: Diversity and inclusion</b>	<b>16.67</b>	87% favourable response within the finance function to the question 'I feel respected at my company' in the annual engagement survey	72%; details can be found on page 82	X	US\$0
<b>Sustainability: Climate sustainability</b>	<b>16.67</b>	Reduce scope 1 and 2 emissions to zero at group level <sup>3</sup> by year-end FY23	Scope 1 and 2 emissions are reduced to zero at group level <sup>3</sup> ; details can be found on page 100	✓	US\$200 097
	<b>61.90</b>				<b>US\$542 913</b>

LTI over FY23

No LTI awards were made in FY23. Instead, as described above, a short-term incentive for reducing the discount to net asset value was introduced.

LTI awards continue to represent a significant portion of total compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders.

In the table below which continues onto page 155, we have set out information on unvested LTIs, including awards that have vested in FY23. Details of the group's LTI schemes settlement are disclosed in note 38 on pages 135 and 136 of the consolidated financial statements.

Overview of LTI awards for Bob van Dijk

		Main conditions of share plans				Number of unvested awards <sup>1</sup>				Value in US\$	
Bob van Dijk	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/SAR	Opening balance 1 April 2022 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2023 (unvested)	Potential gain of awards vested during the year at vesting date <sup>2</sup>	Fair value of unvested awards 31 March 2023 <sup>3</sup>
Naspers Performance Share Units (PSUs)	Three-year cliff - TSR	09/09/2019	07/12/2022	n/a	-	24 527	-	(24 527)	-	6 898 864	-
		21/09/2020	21/09/2023	n/a	-	48 302	-	-	48 302	-	17 875 339
		21/06/2021	21/06/2024	n/a	-	27 796	-	-	27 796	-	5 143 296
		<b>Subtotal</b>				<b>100 625</b>	<b>-</b>	<b>(24 527)</b>	<b>76 098</b>	<b>6 898 864</b>	<b>23 018 635</b>
Prosus Performance Share Units (PSUs)	Three-year cliff - TSR	26/08/2021	26/08/2024	n/a	-	26 993	-	-	26 993	-	2 104 787
		<b>Subtotal</b>				<b>26 993</b>	<b>-</b>	<b>-</b>	<b>26 993</b>	<b>-</b>	<b>2 104 787</b>
Naspers Global Ecommerce Share Appreciation Rights (SARs)	Four-year measurement of value growth of e-commerce business units	15/08/2017	15/08/2022	15/08/2027	27.25	146 789	-	(146 789)	-	3 928 074	-
		08/09/2017	08/09/2022	08/09/2027	27.60	35 055	-	(35 055)	-	895 305	-
		25/06/2018	25/06/2022	25/06/2028	33.57	104 610	-	(104 610)	-	2 149 736	-
		16/07/2019	16/07/2022	16/07/2029	36.70	109 208	-	(109 208)	-	1 842 339	-
		16/07/2019	16/07/2023	16/07/2029	36.70	109 208	-	-	109 208	-	153 787
		21/09/2020	21/09/2022	21/09/2030	41.98	62 571	-	(62 571)	-	451 763	-
		21/09/2020	21/09/2023	21/09/2030	41.98	62 571	-	-	62 571	-	-
		21/09/2020	21/09/2024	21/09/2030	41.98	62 572	-	-	62 572	-	-
		21/06/2021	21/06/2022	21/06/2031	63.89	39 092	-	(39 092)	-	-	-
		21/06/2021	21/06/2023	21/06/2031	63.89	39 092	-	-	39 092	-	-
21/06/2021	21/06/2024	21/06/2031	63.89	39 092	-	-	39 092	-	-		
21/06/2021	21/06/2025	21/06/2031	63.89	39 092	-	-	39 092	-	-		
<b>Subtotal</b>					<b>848 952</b>	<b>-</b>	<b>(497 325)</b>	<b>351 627</b>	<b>9 267 217</b>	<b>153 787</b>	

Overview of LTI awards for Bob van Dijk continued

		Main conditions of share plans				Number of unvested awards <sup>1</sup>				Value in US\$	
Bob van Dijk	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/SAR	Opening balance 1 April 2022 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2023 (unvested)	Potential gain of awards vested during the year at vesting date <sup>2</sup>	Fair value of unvested awards 31 March 2023 <sup>3</sup>
Naspers N Share Options (SOs)	Four-year share-price growth	25/06/2018	25/06/2022	25/06/2028	3 100.99	15 287	-	(15 287)	-	29 797 313	-
		16/07/2019	16/07/2022	16/07/2029	3 494.00	3 958	-	(3 958)	-	9 612 820	-
		16/07/2019	16/07/2023	16/07/2029	3 494.00	3 961	-	-	3 961	-	14 137 670
		21/09/2020	21/09/2022	21/09/2030	2 827.88	3 552	-	(3 552)	-	-	-
		21/09/2020	21/09/2023	21/09/2030	2 827.88	3 552	-	-	3 552	-	92 827
		21/09/2020	21/09/2024	21/09/2030	2 827.88	3 552	-	-	3 552	-	92 827
		13/07/2021	13/07/2022	13/07/2031	2 819.37	2 316	-	(2 316)	-	-	-
		13/07/2021	13/07/2023	13/07/2031	2 819.37	2 316	-	-	2 316	-	61 633
		13/07/2021	13/07/2024	13/07/2031	2 819.37	2 316	-	-	2 316	-	61 633
		13/07/2021	13/07/2025	13/07/2031	2 819.37	2 316	-	-	2 316	-	61 633
<b>Subtotal</b>					<b>43 126</b>	<b>-</b>	<b>(25 113)</b>	<b>18 013</b>	<b>39 410 133</b>	<b>14 508 223</b>	
Prosus N Share Options (SOs)	Four-year share-price growth	26/08/2021	26/08/2022	26/08/2031	71.61	2 295	-	(2 295)	-	-	-
		26/08/2021	26/08/2023	26/08/2031	71.61	2 295	-	-	2 295	-	821
		26/08/2021	26/08/2024	26/08/2031	71.61	2 295	-	-	2 295	-	821
		26/08/2021	26/08/2025	26/08/2031	71.61	2 298	-	-	2 298	-	822
<b>Subtotal</b>					<b>9 183</b>	<b>-</b>	<b>(2 295)</b>	<b>6 888</b>	<b>-</b>	<b>2 464</b>	
<b>Total</b>					<b>1 028 879</b>	<b>-</b>	<b>(549 260)</b>	<b>479 619</b>	<b>55 576 214</b>	<b>39 787 896</b>	

1 The aggregate number of vested but unexercised SARs and SOs for Bob is 6 299 177 (2022: 5 801 852) and 284 365 (2022: 1 088 957) respectively. The aggregate cash-settled share-based payment liabilities of vested but unexercised SARs is included in note 38 of the consolidated financial statements on page 139. The share-based payment reserve of vested but unexercised SOs is included in the aggregate retained earnings balance shown in note 38 of the consolidated financial statements on page 141.

2 The potential gain vested in FY23 is calculated by taking the difference between the closing share price on vesting date and the offer price and multiplying that difference by the number of SOs/SARs that vested in FY23. The value does not necessarily accrue to the individual. It is available to them should they have chosen to exercise (buy and/or sell shares) on or after the date the SOs or SARs vested. The potential gain of the PSU award vested in FY23 reflects the actual pre-tax gain. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue one (1) Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant.

3 The fair value of unvested awards on 31 March 2023 is calculated by taking the difference between the closing share price on 31 March 2023 and the offer price (if applicable) and multiplying that difference by the number of unvested SOs/SARs/PSUs as at 31 March 2023 and assuming 100% vesting for the PSU awards. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue one (1) Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant. The actual value accruing to the executive will depend on the real value created over the time of the award.

Overview of LTI awards for Basil Sgourdos

Main conditions of share plans					Number of unvested awards <sup>1</sup>				Value in US\$		
Basil Sgourdos	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/SAR	Opening balance 1 April 2022 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2023 (unvested)	Potential gain of awards vested during the year at vesting date <sup>2</sup>	Fair value of unvested awards 31 March 2023 <sup>3</sup>
Naspers Performance Share Units (PSUs)	Three-year cliff	09/09/2019	07/12/2022	-	-	12 718	-	(12 718)	-	3 577 212	-
		21/09/2020	21/09/2023	-	-	28 623	-	-	28 623	-	10 592 643
	- TSR	21/06/2021	21/06/2024	-	-	16 472	-	-	16 472	-	3 047 934
		<b>Subtotal</b>					<b>57 813</b>	<b>-</b>	<b>(12 718)</b>	<b>45 095</b>	<b>3 577 212</b>
Prosus Performance Share Units (PSUs)	Three-year cliff - TSR	26/08/2021	26/08/2024	-	-	15 995	-	-	15 995	-	1 247 215
		<b>Subtotal</b>					<b>15 995</b>	<b>-</b>	<b>-</b>	<b>15 995</b>	<b>-</b>
Naspers Global Ecommerce Share Appreciation Rights (SARs)	Four-year measurement of value	15/08/2017	15/08/2022	15/08/2027	27.25	25 354	-	(25 354)	-	678 473	-
		08/09/2017	08/09/2022	08/09/2027	27.60	21 020	-	(21 020)	-	536 851	-
	growth of e-commerce units	25/06/2018	25/06/2022	25/06/2028	33.57	53 692	-	(53 692)	-	1 103 371	-
		16/07/2019	16/07/2022	16/07/2029	36.70	56 626	-	(56 626)	-	955 281	-
	merchandise business units	16/07/2019	16/07/2023	16/07/2029	36.70	56 627	-	-	56 627	-	79 742
		21/09/2020	21/09/2022	21/09/2030	41.98	37 079	-	(37 079)	-	267 710	-
	21/09/2020	21/09/2023	21/09/2030	41.98	37 079	-	-	37 079	-	-	-
		21/09/2020	21/09/2024	21/09/2030	41.98	37 080	-	-	37 080	-	-
	21/06/2021	21/06/2022	21/06/2031	63.89	23 165	-	(23 165)	-	-	-	-
	21/06/2021	21/06/2023	21/06/2031	63.89	23 165	-	-	23 165	-	-	-
21/06/2021	21/06/2024	21/06/2031	63.89	23 165	-	-	23 165	-	-	-	
21/06/2021	21/06/2025	21/06/2031	63.89	23 166	-	-	23 166	-	-	-	
<b>Subtotal</b>						<b>417 218</b>	<b>-</b>	<b>(216 936)</b>	<b>200 282</b>	<b>3 541 686</b>	<b>79 742</b>

Overview of LTI awards for Basil Sgourdos (continued)

Main conditions of share plans					Number of unvested awards <sup>1</sup>				Value in US\$		
Basil Sgourdos	Performance metric	Award date	Vesting date(s)	Expiry date	Strike price of option/SAR	Opening balance 1 April 2022 (unvested)	Awarded during the year	Vested during the year	Closing balance 31 March 2023 (unvested)	Potential gain of awards vested during the year at vesting date <sup>2</sup>	Fair value of unvested awards 31 March 2023 <sup>3</sup>
Naspers N Share Options (SOs)	Four-year share-price	25/06/2018	25/06/2022	25/06/2028	3 100.99	8 277	-	(8 277)	-	16 133 470	-
		16/07/2019	16/07/2022	16/07/2029	3 494.00	2 052	-	(2 052)	-	4 983 706	-
	growth	16/07/2019	16/07/2023	16/07/2029	3 494.00	2 055	-	-	2 055	-	7 334 742
		21/09/2020	21/09/2022	21/09/2030	2 827.88	2 105	-	(2 105)	-	-	-
	21/09/2020	21/09/2023	21/09/2030	2 827.88	2 105	-	-	2 105	-	55 011	
		21/09/2020	21/09/2024	21/09/2030	2 827.88	2 105	-	-	2 105	-	55 011
	13/07/2021	13/07/2022	13/07/2031	2 819.37	1 372	-	(1 372)	-	-	-	
		13/07/2021	13/07/2023	13/07/2031	2 819.37	1 372	-	-	1 372	-	36 511
	13/07/2021	13/07/2024	13/07/2031	2 819.37	1 372	-	-	1 372	-	36 511	
		13/07/2021	13/07/2025	13/07/2031	2 819.37	1 373	-	-	1 373	-	36 538
<b>Subtotal</b>						<b>24 188</b>	<b>-</b>	<b>(13 806)</b>	<b>10 382</b>	<b>21 117 176</b>	<b>7 554 324</b>
Prosus Share Options (SOs)	Four-year share-price	26/08/2021	26/08/2022	26/08/2031	71.61	1 360	-	(1 360)	-	-	-
		26/08/2021	26/08/2023	26/08/2031	71.61	1 360	-	-	1 360	-	486
	growth	26/08/2021	26/08/2024	26/08/2031	71.61	1 360	-	-	1 360	-	486
		26/08/2021	26/08/2025	26/08/2031	71.61	1 362	-	-	1 362	-	487
<b>Subtotal</b>						<b>5 442</b>	<b>-</b>	<b>(1 360)</b>	<b>4 082</b>	<b>-</b>	<b>1 459</b>
<b>Total</b>						<b>520 656</b>	<b>-</b>	<b>(244 820)</b>	<b>275 836</b>	<b>28 236 074</b>	<b>22 523 316</b>

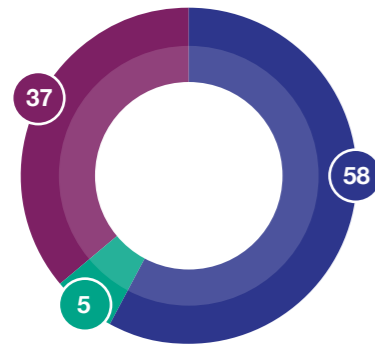
1 The aggregate number of vested but unexercised SARs and SOs for Basil is 759 259 (2022: 542 323) and 92 201 (2022: 104 395) respectively. The aggregate cash-settled share-based payment liabilities of vested but unexercised SARs is included in note 38 of the consolidated financial statements on page 139. The share-based payment reserve of vested but unexercised SOs is included in the aggregate retained earnings balance shown in note 38 of the consolidated financial statements on page 141.

2 The potential gain vested in FY23 is calculated by taking the difference between the closing share price on vesting date and the offer price and multiplying that difference by the number of SOs/SARs that vested in FY23. The potential gain of the PSU award vested in FY23 reflects the actual pre-tax gain. The value does not necessarily accrue to the individual. It is available to them should they have chosen to exercise (buy and/or sell shares) on or after the date the SOs or SARs vested. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue one (1) Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant.

3 The fair value of unvested awards on 31 March 2023 is calculated by taking the difference between the closing share price on 31 March 2023 and the offer price (if applicable) and multiplying that difference by the number of unvested SOs/SARs/PSUs as at 31 March 2023 and assuming 100% vesting for the PSU awards. As part of the Prosus listing and capitalisation issue, the MIH Internet Holdings B.V. and Naspers Restricted Stock Plan trusts elected to receive Prosus shares. In line with the capitalisation issue one (1) Prosus share is linked to each SO/PSU. The value of the Prosus share is included where relevant. The actual value accruing to the executive will depend on the real value created over the time of the award.

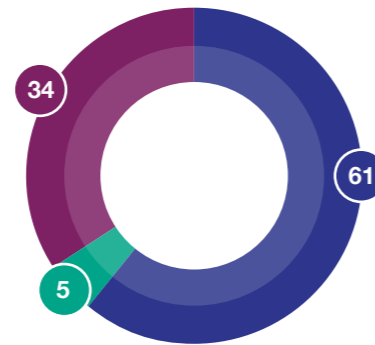
The balance of the executive directors' invested LTIs as at 31 March 2023 (based on potential profit using share prices on 31 March 2023)

Bob van Dijk (%)



● Naspers PSUs	58%
● Prosus PSUs	5%
● Naspers SOs	37%
● Prosus SOs	0%
● Ecommerce SARs	0%

Basil Sgourdos (%)



● Naspers PSUs	61%
● Prosus PSUs	5%
● Naspers SOs	34%
● Prosus SOs	0%
● Ecommerce SARs	0%

Shares purchased in the market

Since 1 April 2018, to avoid shareholder dilution as a result of employee LTIs, the group has been purchasing Naspers and Prosus shares on JSE/Euronext for the purpose of issuing new Naspers SOs, Naspers PSUs, Naspers RSUs, Prosus SOs, Prosus PSUs and Prosus RSUs to employees and settling gains made on all share-based incentive schemes (prior to 31 March 2020).

In FY23, the group purchased Naspers ordinary shares to the value of US\$14m (FY22: US\$38m) and Prosus ordinary shares N to the value of US\$210m (FY22: US\$182m) in the market, totalling US\$224m (FY22: US\$220m).

The table below sets out the details around Prosus shares purchased in the market through the Prosus N.V. Share Award and Option Plan Trust during FY23 and FY22 in respect of grants made in the Prosus N.V. Share Award Plan and Prosus N.V. Share Option Plan<sup>1</sup>:

	2023			2022		
	Number of shares	Purchase price (US\$) <sup>2</sup>	Average market price range	Number of shares	Purchase price (US\$) <sup>2</sup>	Average purchase price range
Prosus N.V. Share Award and Option Plan Trust <sup>1</sup>	3 174 063	210 373 660	€58.21 and €71.71 R1 007.90 and R1 330.68	2 064 211	182 002 007	€42.44 and €84.58 R1 220.09 and R1 434.74

1 The Prosus N.V. Share Award Plan is used to grant Prosus RSUs to employees of the group (executive directors are not eligible to receive RSUs) and PSUs to executive directors and eligible senior management. The Prosus N.V. Share Option Plan is used to grant Prosus Options to executive directors and eligible senior management. Shares are purchased on Euronext and Johannesburg Stock Exchange for non-South African and South African employees respectively.  
2 Purchase price in euro converted to US dollar by using the exchange rate on date of purchase.

Executive directors' LTI vested and exercised in FY23 PSUs vested

In FY20, Bob van Dijk and Basil Sgourdos were awarded 24 527 and 12 718 Naspers PSUs respectively.

The level of achievement relative to the performance condition, at the end of the three-year performance period, was determined above median, at the 57th percentile; this resulted in a 128% vesting. The total number of Naspers PSU that vested was 31 395 for Bob and 16 279 for Basil.

The achievement of the performance condition was assessed by the human resources and remuneration committee and validated by the valuations subcommittee, as per the valuations process described on page 144.

SOs exercised

Bob van Dijk and Basil Sgourdos exercised Naspers SOs in the MIH Internet Holdings B.V. Share Trust; Basil disposed of the entirety of the award and Bob disposed of 675 415 Naspers N ordinary shares and the remaining shares were transferred into his own name.

Details of the above transactions have been summarised below:

Bob van Dijk – PSUs	Date vested	Number of PSUs	Gross gain (pre-tax) US\$ <sup>1</sup>
Naspers PSUs	2022/12/07	31 395	6 898 864

Bob van Dijk – SOs	Date exercised	Number of SOs	Gross gain (pre-tax) US\$ <sup>1</sup>
Naspers N SOs	2022/09/02	832 000	119 362 285
<b>Bob van Dijk – total</b>			<b>126 261 149</b>

Basil Sgourdos – PSUs	Date vested	Number of PSUs	Gross gain (pre-tax) US\$ <sup>1</sup>
Naspers PSUs	2022/12/07	16 279	3 577 212

Basil Sgourdos – SOs	Date exercised	Number of SOs	Gross gain (pre-tax) US\$ <sup>1</sup>
Naspers N SOs	2023/01/25	27 360	6 590 054
<b>Basil Sgourdos – total</b>			<b>10 167 266</b>

1 As part of the Prosus listing, one Prosus ordinary share N is linked to each SO/PSU. The gain on the linked Prosus ordinary share N is included above.

Dilutive impact of group LTI schemes

The board has determined that no more than 5% of the current N ordinary share capital may be used for share-based incentive schemes.

LTI costs

LTIs across the group account for -2.9% of total staff costs, and -0.6% of overall group costs, for example, the cost of providing services and sale of goods, selling, general and administration expenses. The LTI costs decreased due to changes in valuation assumptions, including share prices and volatility, as well as the impact of allocations made and vesting of options. Further details can be found in note 38 on page 137 of the consolidated financial statements on our website at [www.naspers.com](http://www.naspers.com).

Statement of compliance

Termination payments

No termination payments were made to executive and non-executive directors on termination of employment or office in FY23.

Malus and clawbacks

Malus and clawback provisions apply to the STI and LTI awarded to executive directors and direct reports of the CEO. In FY23, no malus or clawback was applied to any remuneration of executive directors and direct reports of the CEO.

CEO shareholding requirement

The CEO met his shareholding requirement of rebalancing his current holding of 10 times annual salary in Naspers shares by the end of FY23 while maintaining an overall combined direct and indirect holding in Naspers and Prosus shares of 10 times annual salary.



# Implementation of remuneration policy continued

## Looking forward to FY24

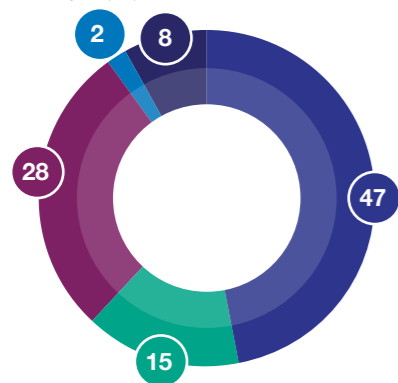
Having not awarded salary increases in FY21 and FY23, the committee has decided to award a 5% salary increase to the CEO and CFO. LTI awards will be made at similar levels to FY22 (the CEO and CFO did not receive LTI awards in FY23) to incentivise long-term value creation, growth and shareholder alignment.

## LTI awards to be made in FY24

LTI awards comprise a significant portion of total executive compensation and are designed to incentivise the delivery of sustainable longer-term growth and provide alignment with our shareholders. The entirety of our executives' LTI is determined by the performance of the company and growth in the valuation of the underlying assets and, as such, is deemed 'at risk'. We continue to assess and adjust the relevance in terms of size, scale and sector of the peer group for prospective PSU awards. For the FY24 PSU award we have removed Qurate and added Mercado Libre and Sea Limited. The FY24 peer group is: Adevin, Adyen, Alphabet, Amazon, Auto Trader, Booking Holdings, Deliveroo, DoorDash, eBay, Expedia, IAC, Just Eat Takeaway.com, Mercado Libre, Meta, Netflix, Ocado Group, PayPal, Sea Limited, Snap, Square Inc., Wayfair, Zalando, Zillow Group.

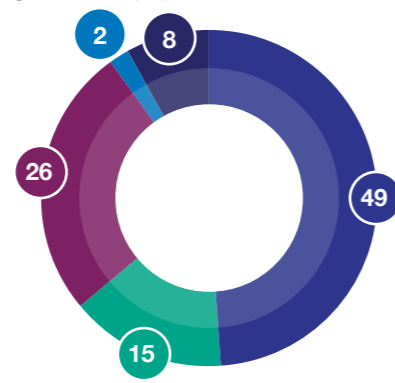
## Approximate balance of the invested LTIs, post the FY24 allocation

Bob van Dijk (%)



● Naspers PSUs	47%
● Prosus PSUs	15%
● Naspers SOs	28%
● Prosus SOs	2%
● Ecommerce SARs	8%

Basil Sgourdos (%)



● Naspers PSUs	49%
● Prosus PSUs	15%
● Naspers SOs	26%
● Prosus SOs	2%
● Ecommerce SARs	8%

## FY24 single-figure table

Executive director	Variable remuneration								Proportion of fixed and variable remuneration
	Fixed remunerations <sup>1</sup>	Standard STI <sup>2</sup>	LTI <sup>4</sup>			Pension	Other benefits <sup>5</sup>	Total remuneration <sup>6</sup>	
	€'000		PSUs <sup>3</sup>	SARs	SOs				
Bob van Dijk, CEO	1 361	1 361	8 025	4 013	1 338	89	47	16 235	8%/92%
Basil Sgourdos, CFO	1 162	1 162	4 428	2 214	738	91	18	9 814	12%/88%

Executive director	Variable remuneration								Proportion of fixed and variable remuneration
	Fixed remunerations <sup>1</sup>	Standard STI <sup>2</sup>	LTI <sup>4</sup>			Pension	Other benefits <sup>5</sup>	Total remuneration <sup>6</sup>	
	US\$'000		PSUs <sup>3</sup>	SARs	SOs				
Bob van Dijk, CEO	1 476	1 476	8 700	4 350	1 450	97	51	17 600	8%/92%
Basil Sgourdos, CFO	1 260	1 260	4 800	2 400	800	99	20	10 639	12%/88%

1 The executive directors received a 5% increase in base salary, effective from 1 April 2023.  
 2 This is the at-target and also maximum STI as a percentage to base salary. FY24 STI goals are shown on page 159 of the remuneration report.  
 3 Represents the grant date fair value of awards to be made during FY24 assuming on-target vesting for PSUs. The actual value accruing to the executive will depend on the real value created over the time of the award. The figure is based on indicative values and may therefore differ from the final fair value granted.  
 4 The grant of the FY24 PSU and SO awards will be partly settled in Naspers shares (43%) and partly in Prosus shares (57%), aligned with the free-float ownership in Naspers and Prosus.  
 5 Medical insurance, life and disability insurance.  
 6 Executive directors are executive directors of both Naspers and Prosus. Their remuneration as executive directors of these entities is split 10/90 between Naspers and Prosus.

## Discount-linked STI

The discount-linked STI awarded in FY23 has been deemed to be achieved, see page 148. A similar award will not be made in FY24.

## FY24 STI goals

In the table below, we disclose FY24 STI goals for Bob van Dijk and Basil Sgourdos.

All financial, strategic, operational and sustainability goals are measurable and validated.

The committee undertakes a thorough assessment to ensure targets are sufficiently stretched in the context of potential remuneration delivered. Targets will be disclosed in the FY24 remuneration report.

### Bob van Dijk

Target and maximum STI opportunity: 100% base salary

Group financial goals	Weighting (%)	Description	Maximum payout
Core headline earnings (including Tencent)	20	Achieve core headline earnings at target, including Tencent	€272 245
Free cash flow to equity	20	Achieve free cash to equity inflow at target	€272 245
Ecommerce financials	10	Deliver organic topline growth at target, excluding Tencent	€136 123
	40	Manage trading loss at target	€544 491

Strategic, operational and sustainability goals	Weighting (%)	Description	Maximum payout
Sustainability: People	5	Improve employee engagement	€68 061
Sustainability: Climate	5	Majority-owned businesses to measure and document material scope 3 emissions	€68 061

### Basil Sgourdos

Target and maximum STI opportunity: 100% of base salary

Group financial goals	Weighting (%)	Description	Maximum payout
Core headline earnings (including Tencent)	30	Achieve core headline earnings at target, including Tencent	US\$378 107
Free cash flow to equity	10	Achieve free cash to equity inflow at target	US\$126 036

Strategic, operational and sustainability goals	Weighting (%)	Description	Maximum payout
Taxation	5	Execute plans to navigate the changing global tax landscape	US\$63 018
Governance, internal audit and risk management	5	Ensure that effective systems of internal control are operated throughout the group's controlled entities	US\$63 018
Balance sheet	10	Maintain our debt ratings and deliver appropriate funding structures for M&A transactions the group considers	US\$126 036
Holding company discount	30	Sustain the open-ended buyback and identify ways to simplify group structure	US\$378 107
Sustainability: People	5	Improve employee engagement	US\$63 018
Sustainability: Climate	5	Majority-owned businesses to measure and document material scope 3 emissions	US\$63 018

**Non-executive directors**

**Non-executive directors' fees**

Given the global scale and complexity of the businesses we operate and in which we have interests, it is important that we can attract and retain the best globally orientated board members. The committee conducts a regular benchmarking exercise to ascertain whether fees for non-executive directors are competitive, fair and reasonable. The committee is informed by the external market when reviewing the fee structure and levels for our non-executive directors. This includes primarily market fee levels for the Naspers and Prosus industry peers internationally, as well as fee levels observed in the top 10 AEX and JSE companies.

At the August 2022 annual general meeting, shareholders approved a deferral of the FY23 fee increase to FY24, based on a recent review, the board is proposing a 5% fee increase for FY25.

**Non-executive directors' fee development**

	2020 (%)	2021 (%)	2022 (%)	2023 (%) (deferred to 2024)	2024 (%)	2025 (%) (proposed)
Board	5	0	5	0	5	5
Committees	5	0	5	0	5	5
Trustees of group share schemes/other personnel funds	5	0	5	0	5	5
All members: Daily fees when travelling to and attending meetings outside home country	0	0	0	0	0	0

Note: Following the listing of Prosus N.V. on Euronext Amsterdam in September 2019, Naspers non-executive directors serve on the boards of both companies. Given these dual responsibilities, fees are split between Naspers and Prosus on a 30/70 basis. Non-executive directors do not receive variable remuneration.

No additional fees are paid to board members serving on the projects committee or on the valuations subcommittee of the human resources and remuneration committee. Non-executive directors do not receive any short or long-term incentives or equity-based compensation.

Non-executive directors serve on the boards of both Naspers and Prosus and receive no additional compensation for their dual responsibilities to Naspers and Prosus. Fees are split between Naspers and Prosus on a 30/70 basis, pro-rated from the date of listing of Prosus. The split was determined based on the underlying assets and the amount of time required to ensure that sufficient time is allocated to assume the dual responsibilities.

The non-executive chair does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board or attending Tencent board and committee meetings.

**Non-executive directors' fees as approved at the annual general meetings<sup>1</sup>**

In US\$ (unless otherwise stated)	FY22 (total proposed fee payable by Naspers and Prosus)	FY23 (total proposed fee payable by Naspers and Prosus)	FY23 (amount payable by Prosus)	FY23 (amount payable by Naspers)
Chair <sup>2</sup>	523 243	523 243	366 270	156 973
Member	209 297	209 297	146 508	62 789
All members: Daily fees when travelling to and attending meetings outside home country	3 500	3 500	2 450	1 050
<b>Committees</b>				
Audit committee: Chair	128 915	128 915	90 241	38 675
Audit committee: Member	51 566	51 566	36 096	15 470
Risk committee: Chair	76 573	76 573	53 601	22 972
Risk committee: Member	30 629	30 629	21 440	9 189
Human resources and remuneration committee: Chair	90 590	90 590	63 413	27 177
Nominations committee: Member	36 236	36 236	25 365	10 871
Nominations committee: Chair	48 825	48 825	34 178	14 648
Nominations committee: Member	19 530	19 530	13 671	5 859
Sustainability committee: Chair	67 013	67 013	46 909	20 104
Sustainability committee: Member	26 805	26 805	18 764	8 042
Other (ZAR)				
Trustee of group share schemes/other personnel funds	56 448	56 448	39 514	16 934

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

<sup>2</sup> The chair of Naspers does not receive additional remuneration for attending meetings or being a member of or chairing any committee of the board. He receives no compensation for serving on the board of Tencent.

**Non-executive directors' fees**

US\$'000	2023						Total
	Directors' fees <sup>1</sup>		Committees and trusts		Other fees <sup>2</sup>		
Non-executives	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	
JP Bekker <sup>3</sup>	576	22	-	7	-	-	605
HJ du Toit <sup>4</sup>	-	-	-	-	-	-	-
S Dubey <sup>5</sup>	174	-	26	-	-	-	200
CL Enenstein	269	-	110	-	-	50	429
M Girotra	251	-	52	-	-	-	303
RCC Jafta	265	65	106	37	-	-	473
AGZ Kemna <sup>6</sup>	258	-	82	-	-	-	340
FLN Letele	262	-	27	-	-	-	289
D Meyer	265	-	67	-	-	-	332
R Oliveira de Lima	272	-	56	-	-	50	378
SJZ Pacak	258	-	205	-	-	-	463
MR Sorour <sup>7</sup>	258	-	-	-	-	120	378
JDT Stofberg	262	-	27	-	-	-	289
Y Xu	255	-	-	-	-	-	255
<b>Total</b>	<b>3 625</b>	<b>87</b>	<b>758</b>	<b>44</b>	<b>-</b>	<b>220</b>	<b>4 734</b>

US\$'000	2022						Total
	Directors' fees <sup>1</sup>		Committees and trusts		Other fees <sup>2</sup>		
Non-executives	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	Paid by company	Paid by subsidiary	
JP Bekker <sup>3</sup>	558	24	-	8	-	-	590
EM Choi <sup>8</sup>	109	-	27	-	-	-	136
HJ du Toit <sup>4</sup>	-	-	-	-	-	-	-
S Dubey <sup>5</sup>	-	-	-	-	-	-	-
CL Enenstein	244	-	110	-	-	50	404
M Girotra	234	-	52	-	-	-	286
RCC Jafta	244	72	127	42	-	-	485
AGZ Kemna <sup>6</sup>	160	-	54	-	-	-	214
FLN Letele	244	-	27	-	-	-	271
D Meyer	241	-	67	-	-	-	308
R Oliveira de Lima	244	-	56	-	-	50	350
SJZ Pacak	244	-	205	-	-	-	449
MR Sorour <sup>7</sup>	244	139	-	-	-	120	503
JDT Stofberg	244	-	27	-	-	-	271
BJ van der Ross <sup>9</sup>	244	-	27	-	-	-	271
Y Xu	244	-	-	-	-	-	244
<b>Total</b>	<b>3 498</b>	<b>235</b>	<b>779</b>	<b>50</b>	<b>-</b>	<b>220</b>	<b>4 782</b>

<sup>1</sup> Following the listing of Prosus, non-executive directors serve on the boards of both Naspers and Prosus. As a result of these dual responsibilities, fees were split between Naspers and Prosus on a 30/70 basis.

<sup>2</sup> Compensation for assignments.

<sup>3</sup> Koos Bekker elected to donate the after-tax rand equivalent of all his directors' fees to education. This year the recipients will be two schools in Cape Town, the Jan van Riebeeck Primary and Secondary schools.

<sup>4</sup> Hendrik du Toit elected not to receive directors' fees.

<sup>5</sup> Appointed as a director of Prosus on 24 August 2022 and Naspers on 1 April 2022.

<sup>6</sup> Appointed with effect from 24 August 2021.

<sup>7</sup> Mark Sorour received US\$12 425 (2022: 14 227.13) from MIH Holdings Proprietary Limited for the period 1 April 2022 to 31 March 2023. This payment relates to the increased cost of medical aid for retired members of the MMED medical aid scheme after the unbundling of MultiChoice Group Limited. Originally, it was noted that the company will provide an annual allowance to cover the difference in cost for retired scheme members. This is not disclosed in the above table.

<sup>8</sup> Emilie Choi resigned with effect from 26 August 2021.

<sup>9</sup> Retired with effect from 1 April 2022.

## General notes

Directors' fees include fees for services as directors, where appropriate, of Naspers and Media24 Proprietary Limited. 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, risk committee, human resources and remuneration committee, nominations committee and the sustainability committee. Non-executive directors are subject to regulations on appointment and rotation in terms of Naspers' memorandum of incorporation, Prosus' articles of association, Dutch legal requirements and the South African Companies Act.

The group arranges for, and pays, directors and officers liability insurance for the directors and officers of the group.

As at the date of this report, the group has not provided any personal loans, advances or guarantees to the executive and non-executive directors.

Koos Bekker and Cobus Stofberg each have an indirect 25% interest in Wheatfields 221 Proprietary Limited, which controls 168 605 Naspers Beleggings (RF) Limited ordinary shares, 16 860 500 Keeromstraat 30 Beleggings (RF) Limited ordinary shares, 179 988 (2022: 179 988) Naspers A shares and 834 540 (2022: 834 540) Prosus A1 shares.

## Compliance

There were no deviations from the executive and non-executive directors' remuneration policy in FY23.

The executive and non-executive directors had the following interests in Naspers N ordinary shares on 31 March 2023 and 31 March 2022:

Directors	31 March 2023 Naspers N ordinary shares Beneficial		
	Direct	Indirect <sup>1</sup>	Total
JP Bekker	-	1 687 887	1 687 887
HJ du Toit	1 265	-	1 265
S Dubey <sup>2</sup>	-	-	-
CL Enenstein	-	415	415
M Girotra	-	-	-
RCC Jafta	-	-	-
AGZ Kemna	-	-	-
FLN Letele	2 604	-	2 604
D Meyer	-	-	-
R Oliveira de Lima	-	-	-
SJZ Pacak <sup>3</sup>	113 986	28 800	142 786
V Sgourdos <sup>4,5</sup>	25 522	90 841	116 363
MR Sorour <sup>6</sup>	1 349	159 870	161 219
JDT Stofberg	81 028	291 888	372 916
B van Dijk <sup>7,8</sup>	175 236	282 070	457 306
BJ van der Ross <sup>9</sup>	-	-	-
Y Xu	-	-	-
<b>Total</b>	<b>400 990</b>	<b>2 541 771</b>	<b>2 942 761</b>

## Executive and non-executive directors' interest in Naspers shares

The non-executive directors of Naspers had the following interests in Naspers A1 ordinary shares on 31 March 2023 and 31 March 2022:

Directors	31 March 2023 Naspers A1 ordinary shares Beneficial		
	Direct	Indirect	Total
JDT Stofberg	-	175	175
SJZ Pacak	-	105	105
<b>Total</b>	<b>-</b>	<b>280</b>	<b>280</b>

Directors	31 March 2022 <sup>1</sup> Naspers A1 ordinary shares Beneficial		
	Direct	Indirect	Total
JDT Stofberg	-	175	175
SJZ Pacak	-	105	105
<b>Total</b>	<b>-</b>	<b>280</b>	<b>280</b>

<sup>1</sup> As part of implementing the share exchange offer approved by shareholders on 9 July 2021, additional ordinary shares A1 were issued to holders of ordinary shares A1 on a pro rata basis on 16 August 2021.

<sup>1</sup> Naspers SOs that have been released (vested), but not yet been exercised, are included in the indirect column: Bob van Dijk: 282 070 (2022: 1 088 957). Basil Sgourdos: 90 841 (2022: 104 395). Steve Pacak: 0 (2022: 54 000). Mark Sorour: 159 428 (2022: 166 194).

<sup>2</sup> Appointed as a director of Prosus on 24 August 2022 and Naspers on 1 April 2022.

<sup>3</sup> On 8 July 2022, Steve Pacak exercised 54 000 share options and the linked Prosus N.V. and MultiChoice Group Limited share options. These share options relate to 54 000 Naspers N ordinary share options, awarded on 7 September 2012.

<sup>4</sup> On 25 January 2023, Basil Sgourdos exercised 27 360 share options and the linked Prosus N.V. share options. These share options related to 27 360 Naspers share options awarded on 11 July 2013.

<sup>5</sup> On 7 December 2022, Basil Sgourdos exercised 16 279 Naspers PSUs and the linked Prosus PSUs awarded to him on 9 September 2019. He disposed of 2 451 Naspers N ordinary shares to cover taxes and other related costs on market and took delivery of the remaining 13 828 Naspers N ordinary shares.

<sup>6</sup> On 29 June 2022, Mark Sorour exercised 6 766 share options. These share options relate to 1 827 share options linked to the listing of Prosus and 4 939 share options awarded on 2 July 2012.

<sup>7</sup> On 7 December 2022, Bob van Dijk exercised 31 395 Naspers PSUs and the linked Prosus PSUs awarded to him on 9 September 2019. He disposed of the entirety of the award on market.

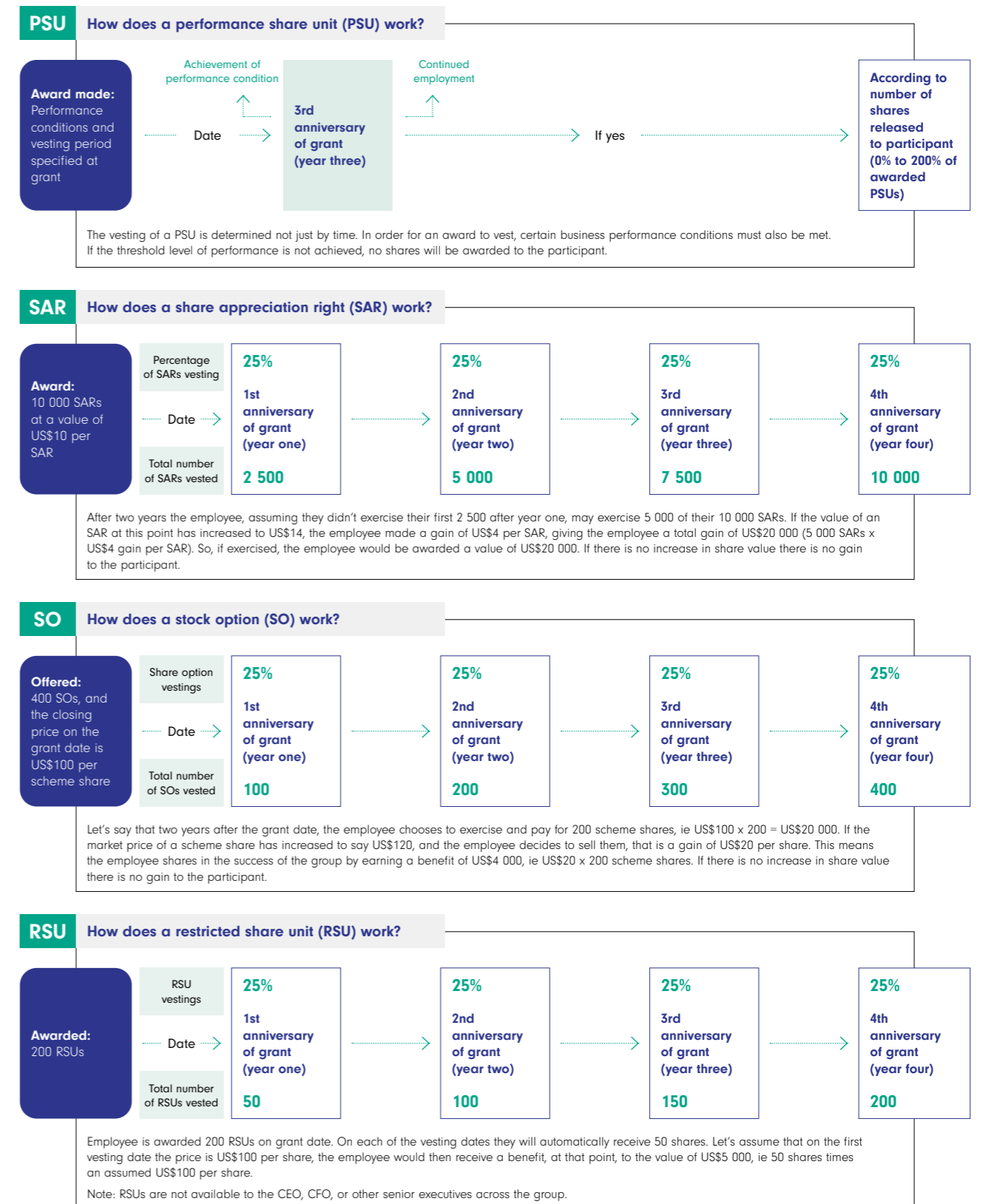
<sup>8</sup> On 29 August, 30 August and 31 August 2022, Bob van Dijk exercised 832 000 Naspers share options and the linked Prosus share options. The share options were awarded on 28 March 2014. 675 415 Naspers N ordinary shares were disposed of to cover taxes and other related costs. The remaining 156 585 Naspers N ordinary shares were transferred to his name.

<sup>9</sup> Resigned as a director of Prosus and Naspers on 1 April 2022.

Directors	31 March 2022 Naspers N ordinary shares Beneficial		
	Direct	Indirect <sup>1</sup>	Total
JP Bekker <sup>2</sup>	-	1 687 887	1 687 887
HJ du Toit <sup>2</sup>	1 265	-	1 265
S Dubey <sup>3</sup>	-	-	-
CL Enestein	-	415	415
M Girotra	-	-	-
RCC Jafta	-	-	-
AGZ Kemna <sup>4</sup>	-	-	-
FLN Letele	2 604	-	2 604
D Meyer	-	-	-
R Oliveira de Lima	-	-	-
SJZ Pacak <sup>2</sup>	113 986	28 800	196 786
V Sgourdos <sup>2,5</sup>	11 694	104 395	116 089
MR Sorour <sup>2</sup>	1 349	166 636	167 985
JDT Stofberg <sup>2</sup>	81 028	291 888	372 916
BJ van der Ross <sup>2,6</sup>	918	295	1 213
B van Dijk <sup>2</sup>	18 651	1 088 957	1 107 608
Y Xu	-	-	-
<b>Total</b>	<b>231 495</b>	<b>3 423 273</b>	<b>3 654 768</b>

1 Naspers SOs that have been released (vested), but have not yet been exercised, are included in the indirect column:  
 Bob van Dijk: 1 088 957 (2021: 1 003 928). Basil Sgourdos: 104 395 (2021: 98 410). Mark Sorour: 166 194 (2021: 158 853). Steve Pacak: 54 000 (2021: 54 000).  
 2 Each of these directors participated in the share exchange which was approved by Prosus shareholders on 9 July 2021 and concluded on 16 August 2021. As part of this transaction, the directors traded a portion of their Naspers N ordinary shares in exchange for Prosus ordinary shares N.  
 3 Appointed as a director on 1 April 2022.  
 4 Appointed as a director on 15 April 2021.  
 5 On 31 January 2022, Basil Sgourdos had exercised 11 124 Naspers and Prosus options and decided to dispose of the Naspers N ordinary shares he received and to retain the Prosus ordinary shares N. The full net gain after tax on disposal of these shares was reinvested back into the group in the form of Prosus ordinary shares N when, on 1 March 2022, he purchased 20 000 Prosus ordinary shares N at a volume-weighted average value per share of €56.3933.  
 6 Resigned as a director on 1 April 2022.

Graphic overview of our LTI plans



## LTI policies

### Date and price of SARs, SOs and PSUs/RSUs

Our LTI policy does not allow for backdating LTI awards, or for the offer price to be adjusted to bring underwater SARs or SOs 'into the money'. There is no strike price for a PSU or an RSU; these are full-value shares and PSUs vest only if the performance conditions determined at grant are achieved.

Offer prices may be adjusted under the rules of the scheme to take account of material structural changes to the group, for example, when Prosus was listed in 2019, Naspers shareholders and employees holding Naspers SOs received Prosus capitalisation/Naspers N capitalisation shares (depending on which share trust they participated in), linked to each option.

### LTI dividend policy

Employees of the Naspers group holding unvested PSUs, RSUs or SOs do not receive ordinary dividends. On vesting, these participants are treated like all other shareholders with respect to ordinary dividends.

### Prudent approach

Vesting periods are conservative relative to the companies with which we compete for talent. Our LTI plans typically vest over four years, with equal tranches vesting annually. The PSU plan has a three-year cliff-vesting. Across the consumer internet sector, a three or four-year vesting period is common, with grants often vesting monthly after the first year.

In FY23 we continued to broaden the use of RSUs as an effective LTI for many of our employees. RSUs are a common and widely spread LTI vehicle across the competitive consumer technology sector. For our senior roles (excluding senior executives), RSUs will continue to be complemented with SAR allocations on our unlisted assets, aligning the incentive to the performance delivery and value creation in the underlying business segments. With that, RSUs do not come in addition to SARs, but are part of the blend of LTIs offered.

Note that RSUs are not available to the CEO, CFO, or other senior executives across the group. In an exceptional case, RSUs may be applied for a new hire, when necessary to 'buy out' remuneration forfeited on joining the company.

Our SO plans typically have a 10-year expiry term. This is a common term length across the consumer internet sector where early-stage businesses take longer to reach maturity and create shareholder value. Since 1 April 2022, we have limited the expiry period of our SARs plans to six years.

## LTI scheme limits

We place limits on how much of the capitalisation (cap) table is available for employee compensation. In general, no more than 5% of the Naspers cap table can be used for unvested employee compensation. For SARs plans that relate to our unlisted assets, no more than 15% of the cap table can be used for unvested employee compensation. Depending on the life stage of the business, the scheme limit can be lower. When the business takes funding from Naspers, the SAR scheme is diluted as additional shares are issued.

### Offer price

Also called grant price, strike price or purchase price. The price of the share on the date the SAR or SO was granted, at which the participant can buy the share at a later date (or in the case of a SAR, used to calculate a gain).

### Exercise price

The price of the share at the time the participant chooses to exercise their SARs or SOs. The value gain to the participant is calculated by subtracting offer price from exercise price.

### Offer date

Also called grant date. The date on which an LTI is offered to the participant, giving that participant the right to buy or receive shares at a future date.

## Performance management

Pay for performance is one of the pillars of our reward philosophy. Personal performance and business performance are the determining factors in whether an individual receives a base salary increase, an annual performance-related incentive payout and/or an LTI in the form of SARs, PSUs (for executives only), RSUs (not for executives) or SOs.

Personal goals are determined as an outcome of the annual business-planning process. As budgets and operating plans are designed prior to the end of the financial year, so too are personal performance goals. These goals, if achieved, drive the accomplishment of the financial and operating plan of the business.

Managers engage continuously with their teams throughout the financial year to ensure their plans are on track. At the end of the financial year, both the overall performance of the business and the individual's achievement of their personal goals are considered, and this may translate into paying an annual performance-related STI. While we do not force-rank performance scores, we do expect that any performance-related incentive payments reflect overall performance where appropriate. Individuals who have performed well against their performance-related incentive goals are eligible to be considered for an LTI grant and pay increase. Only strong performers are considered for LTI awards.

## This integrated annual report assesses our performance for the financial year ended 31 March 2023. We aim to provide a view of our progress and impact on society.

### Reporting

We measure our performance by evaluating how we create value for our key stakeholders. We also report on the 11 material matters identified by our stakeholders in our first materiality assessment as well as progress made against our strategy. We regularly measure returns on invested capital. We understand the risks we take and manage these to minimise their impact on our business and results.

This way of telling a comprehensive, connected story fits well with our holistic view of value and our focus on creating sustainable value for long-term good.

### Scope and boundary of reporting

#### Financial and non-financial reporting

This report extends beyond financial reporting. It reflects on non-financial performance, opportunities, risks and outcomes attributable to or associated with key stakeholders who have a significant influence on our ability to create value.

Our subsidiaries, associates and investees are required to comply with applicable law and regulation. The group also encourages its associates and investees to adopt appropriate governance standards (for example, codes of business ethics and conduct, and policies relating to anti-bribery and anti-corruption, competition compliance, privacy and sanctions and export controls).

It includes the strategy and financial performance of Naspers and its subsidiaries, joint ventures and associates (the group). The scope of reporting on non-financial data (GHG emissions), is included as an appendix 'Boundaries and scope of our GHG accounting' to this report. Group reporting standards are continually being developed to make disclosure meaningful and measurable for stakeholders. Given the highly competitive environment in which we operate, this report mostly excludes financial targets or forward-looking statements other than as explained on page 1.

References to appendices and links to the website are not considered part of this integrated annual report but are included for additional information.

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

In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS referred to as non-IFRS financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals.

### Material matters

- Financial performance
- Responsible investments
- People
- Digital inclusion
- Innovation
- Climate action
- AI
- Cyber-resilience
- Data privacy
- Business culture, ethics and integrity
- Community investment

Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated. Numbers included in brackets represent the equivalent measure on the basis of growth in local currency, excluding acquisitions and disposals.

The group provides APMs because the board believes these provide investors with additional information to measure its operating performance. These APMs should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. APMs do not have a standardised meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Their usefulness is therefore subject to limitations.

Refer to:

- » Note 22 'Segment information' of the consolidated financial statements for a reconciliation to the nearest IFRS measure of the following APMs used in the segment information: revenue on an economic-interest basis; adjusted EBITDA; and trading profit or loss.
- » Note 23 'Earnings per share' of the consolidated financial statements for a reconciliation to the nearest IFRS measure of headline earnings.

### Legislation and frameworks that inform our reporting

We are guided by the following standards in preparing this integrated annual report:

- » 2013 Framework of the International Integrated Reporting Council (IIRC) (now part of the IFRS Foundation, which includes Value Reporting Foundation/SASB): this principles-based approach promotes the concept of the six capitals<sup>1</sup>, which considers material inputs and resources required to create and sustain value in the long term. We describe key components of the Naspers value chain (business model) that creates and sustains value for our stakeholders.
- » We have aligned our climate change approach and our integrated reporting to the framework of the Task Force on Climate-related Financial Disclosures (TCFD).
- » To meet the needs of investors and analysts and provide financially material information for all our stakeholders, we base our disclosures where possible with the industry standards of the Sustainability Accounting Standards Board (SASB).
- » We support the United Nations Sustainable Development Goals (UN SDGs) and, like many other businesses, have identified which goals closely align with our business.
- » South African Companies Act 71 of 2008, as amended (Companies Act).
- » King IV Report on Corporate Governance for South Africa (King IV<sup>TM</sup>)<sup>2</sup>.
- » IFRS.

### Materiality and material matters

We apply the principle of materiality in assessing what information to include in our integrated annual report. This report focuses particularly on those issues, opportunities and challenges that impact materially on the group and its ability to be a sustainable business that delivers value to key stakeholders, including our shareholders.

### Assurance

Financial information in this report extracted from the audited Naspers Limited consolidated annual financial statements for the year ended 31 March 2023 was audited by PricewaterhouseCoopers Inc. (PwC) (refer to page 212 for its report). In addition, PwC performed limited assurance on our scope 1 and 2 carbon footprint (refer to pages 101 to 103). South African broad-based black economic empowerment (BBBEE) information (for Naspers and Media24) was assured by EmpowerLogic.

The group has a combined assurance model for internal use. This model is designed to cover key risks through a combination of assurance service providers and functions as appropriate for Naspers.

An overview of combined assurance per key risk is reported for consideration by the audit and risk committees.

The scope for our group internal audit and risk support function includes all controlled assets. The head of internal audit and risk support reports to the audit committee and presents for its approval an objective-driven, risk-based internal audit plan. Where required, external parties, such as forensic specialists or data analytics experts, support the internal audit function. Other external assurance providers are enlisted as needed. In our more regulated businesses (like PayU), regulatory inspectors visit periodically.

The audit committee recommends the appointment of the external auditor to shareholders, reviews the auditor's independence annually and oversees the external audit. The audit committee makes recommendations to the board and assists the board in ensuring the integrity of external reports.

### Statement of the board of directors on the integrated annual report

This report is primarily intended to address the information requirements of long-term investors (our equity shareholders, bondholders and prospective investors). We also present information relevant to the way we create value for other key stakeholders, including our employees, clients, customers, regulators and society.

After being reviewed by the audit committee and board, the board approved the integrated annual report. The summary consolidated annual financial statements for the year ended 31 March 2023 were prepared in accordance with IFRS and the Companies Act, while the integrated annual report was prepared using the IIRC framework and recommendations of King IV. In our opinion, the integrated annual report and annual financial statements fairly reflect the financial position of the group and its operations at 31 March 2023.

On behalf of the board

**Koos Bekker**  
Chair

**Bob van Dijk**  
Chief executive

Cape Town  
26 June 2023

<sup>1</sup> As identified in the framework of the International Integrated Reporting Council: financial, human, intellectual, manufactured, social and natural capitals.  
<sup>2</sup> The Institute of Directors in South Africa NPC (IoDSA) owns all copyright and trademarks for King IV<sup>TM</sup>.

# South Africa



Over a century in South Africa, evolving from the largest print and TV media business into a 100% global consumer internet group in the upper middle-income southern African economy; hard hit by Covid-19; poor utilities management; high-income inequality; hosts Africa's largest stock exchange; rising unemployment, especially youth.

## Highlights

### 2022

 Population  
**80% internet users**

 Unemployment rate  
**32.7%**

 GDP  
**2%**

 Inflation  
**6.9%**

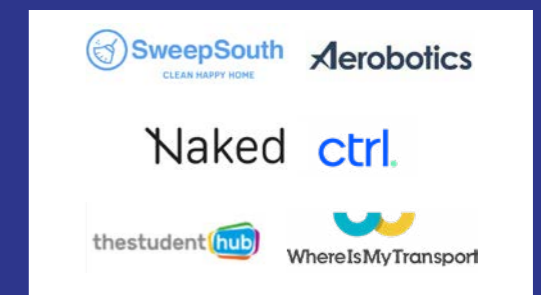
### 2023

 Population  
**60 million\***

\* Estimated.

## Naspers offers

- » Investing in digital transformation – to grow South Africa's tech ecosystem and economy; create opportunities for SME owners and independent workers.
- » Invest in local entrepreneurs to find local solutions to change people's lives for the better. We partner founders and their teams, providing advice and expert resources to assist them to scale their businesses successfully for long-term growth.



- » Naspers Labs – youth development programme to increase economic participation of disadvantaged communities, and address youth unemployment. As part of our total R235m investment in this programme, we have provided business support (incubation, acceleration and market access) to 33 young entrepreneurs, enabling them to improve their businesses to become self-sustaining, leverage technology and grow.

To date, about **3 956 young South Africans** have been empowered by Naspers Labs.

- » South African employer, investor, and made substantial contributions to the development of the country's society.
- » Significant tax contributor.
- » As a group, our tax contribution assists government in addressing some of the country's most pressing societal needs.
- » ESG:
  - 100 Takealot e-bike delivery drivers and our aim for FY24 is 500.

# Chief executive and chief financial officer responsibility statement

# Statement of responsibility by the board of directors for the year ended 31 March 2023

Each of the directors, whose names are stated below, hereby confirms that:

- the annual financial statements set out on pages 175 to 211, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

**Bob van Dijk**  
Chief executive

**Basil Sgourdos**  
Chief financial officer

26 June 2023

In discharging this responsibility, the board of directors of Naspers Limited rely on the management of the group to prepare the consolidated annual financial statements, separately available at [www.naspers.com](http://www.naspers.com), in accordance with International Financial Reporting Standards (IFRS) and the Companies Act 71 of 2008. The summary consolidated annual financial statements include amounts based on judgements and estimates made by management. The information given is comprehensive and presented in a responsible manner.

The directors accept responsibility for the preparation, integrity and fair presentation of the summary consolidated annual financial statements and are satisfied that the systems and internal financial controls implemented by management are effective.

The directors believe that the company and group have adequate resources to continue operations as a going concern in the foreseeable future, based on forecasts and available cash resources. The summary consolidated annual financial statements support the viability of the company and the group. The preparation of the summary consolidated annual financial statements was supervised by the chief financial officer, Basil Sgourdos CA(SA).

The independent auditing firm PricewaterhouseCoopers Inc., which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board, has audited the consolidated annual financial statements from which the summary consolidated annual financial statements were derived.

The directors believe that representations made to the independent auditor during the audit were valid and appropriate. PricewaterhouseCoopers Inc.'s audit report is presented on page 174.

The summary consolidated annual financial statements were approved by the board of directors on 26 June 2023 and are signed on its behalf by:

**Koos Bekker**  
Chair

**Bob van Dijk**  
Chief executive

26 June 2023



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

## Summary consolidated income statement

for the year ended 31 March 2023

### To the shareholders of Naspers Limited

#### Opinion

The summary consolidated financial statements of Naspers Limited, set out on pages 175 to 205 of the Integrated Annual Report, which comprise the summary consolidated statement of financial position as at 31 March 2023, the summary consolidated income statement, the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Naspers Limited for the year ended 31 March 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, as set out in note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

#### Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

#### The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 26 June 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

#### Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for summary financial statements, set out in note 2 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

#### Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

#### PricewaterhouseCoopers Inc.

Director: Vicki Myburgh  
Registered Auditor  
Johannesburg, South Africa  
26 June 2023

	Notes	31 March	
		2023 US\$m	2022 US\$m
<b>Continuing operations</b>			
<b>Revenue</b>	7	<b>6 778</b>	6 294
Cost of providing services and sale of goods		(4 883)	(4 662)
Selling, general and administration expenses		(2 532)	(2 454)
Other (losses)/gains - net	9	(747)	(163)
<b>Operating loss</b>		<b>(1 384)</b>	(985)
Interest income	8	483	58
Interest expense	8	(571)	(407)
Other finance income/(cost) - net	8	19	(91)
Dividend income		62	-
Share of equity-accounted results <sup>1</sup>	11	5 176	9 256
Impairment of equity-accounted investments	11	(1 745)	(588)
Dilution (losses)/gains on equity-accounted investments	11	(252)	95
Gains on partial disposal of equity-accounted investments	11	7 622	12 339
Net gains/(losses) on acquisitions and disposals	9	50	(1 128)
<b>Profit before taxation</b>		<b>9 460</b>	18 549
Taxation		(48)	(64)
<b>Profit from continuing operations</b>		<b>9 412</b>	18 485
Profit from discontinued operations	5	542	53
<b>Profit for the year</b>		<b>9 954</b>	18 538
<b>Attributable to:</b>			
Equity holders of the group		4 331	12 223
Non-controlling interests		5 623	6 315
		<b>9 954</b>	18 538
<b>Per share information related to total operations<sup>2</sup></b>			
Earnings per ordinary share (US cents)	6	2 078	4 218
Diluted earnings per ordinary share (US cents)		1 998	4 127
<b>Per share information related to continuing operations<sup>2</sup></b>			
Earnings per ordinary share (US cents)		1 968	4 207
Diluted earnings per ordinary share (US cents)		1 888	4 116

<sup>1</sup> Includes equity-accounted results from associates. Refer to note 11.

<sup>2</sup> Earnings per share information is significantly impacted by a lower share in equity-accounted results and a lower gain on partial disposal of equity-accounted investments. Refer to note 11.



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# Summary consolidated statement of comprehensive income

for the year ended 31 March 2023

	Notes	31 March	
		2023 US\$m	2022 US\$m
<b>Profit for the year</b>		<b>9 954</b>	18 538
<b>Total other comprehensive loss for the year – net of tax</b>		<b>(3 350)</b>	(2 391)
<b>Items that may be subsequently reclassified to profit or loss</b>			
Foreign exchange (losses)/gains arising on translation of foreign operations <sup>1, 2</sup>		(2 421)	1 611
Recognition of cash flow hedge		–	(99)
Derecognition of cash flow hedge		–	119
Share of equity-accounted investments' movement in OCI <sup>3</sup>		797	(814)
<b>Items that may not be subsequently reclassified to profit or loss</b>			
Fair value gains/(losses) on financial assets through OCI		21	(509)
Share of equity-accounted investments' movement in OCI and NAV <sup>4</sup>	11	(1 747)	(2 699)
<b>Total comprehensive income for the year</b>		<b>6 604</b>	16 147
<b>Attributable to:</b>			
Equity holders of the group		3 069	11 980
Non-controlling interests		3 535	4 167
		<b>6 604</b>	16 147

<sup>1</sup> 31 March 2023 includes the reclassification to the summary consolidated income statement of US\$202m relating to the disposal of Avito (2022: US\$1.1bn relating to the loss of significant influence of VK Company Limited (VK)).

<sup>2</sup> The significant movement relates to the translation effects from equity-accounted investments (refer to note 11). The current year also includes a net monetary gain of US\$102m relating to hyperinflation accounting for the group's subsidiaries in Turkey. Refer to note 2.

<sup>3</sup> This relates to movements in equity-accounted investments' foreign currency translation reserve.

<sup>4</sup> This relates mainly to (losses)/gains from the changes in share prices of Tencent's listed investments carried at fair value through other comprehensive income and the group's share in the share-based compensation reserve of equity-accounted investments.

# Summary consolidated statement of financial position

as at 31 March 2023

	Notes	31 March	
		2023 US\$m	2022 US\$m
<b>Assets</b>			
<b>Non-current assets</b>		<b>41 667</b>	55 793
Property, plant and equipment		786	736
Goodwill	10	1 483	3 458
Other intangible assets		391	964
Investments in associates	11	35 930	44 461
Investments in joint ventures		70	146
Other investments and loans <sup>1</sup>	12	2 807	5 862
Trade and financing receivables <sup>2</sup>		133	91
Other receivables <sup>2</sup>		46	44
Deferred taxation		21	31
<b>Current assets</b>		<b>23 831</b>	15 524
Inventory		415	571
Trade and financing receivables <sup>2</sup>		559	412
Other receivables and loans <sup>2</sup>		920	818
Derivative financial instruments		5	27
Other investments		4 707	–
Short-term investments		6 727	3 924
Cash and cash equivalents		9 849	9 733
		<b>23 182</b>	15 485
Assets classified as held for sale	14	649	39
<b>Total assets</b>		<b>65 498</b>	71 317
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to the group's equity holders</b>		<b>18 960</b>	20 581
Share capital and premium		4 611	4 611
Treasury shares		(46 825)	(43 753)
Other reserves		12 211	14 803
Retained earnings		48 963	44 920
Non-controlling interests		25 645	29 547
<b>Total equity</b>		<b>44 605</b>	50 128
<b>Non-current liabilities</b>		<b>16 281</b>	16 550
Capitalised lease liabilities		232	272
Liabilities – interest bearing		15 685	15 611
– non-interest bearing		22	50
Other non-current liabilities <sup>1</sup>		140	168
Post-employment medical liability		16	21
Cash-settled share-based payment liability	15	73	184
Deferred taxation		113	244
<b>Current liabilities</b>		<b>4 612</b>	4 639
Current portion of long-term liabilities <sup>3</sup>		487	322
Trade payables		406	609
Accrued expenses <sup>3</sup>		1 938	1 664
Provisions		47	9
Other current liabilities		775	1 032
Cash-settled share-based payment liability	15	655	985
Bank overdrafts		28	18
		<b>4 336</b>	4 639
Liabilities classified as held for sale	14	276	–
<b>Total equity and liabilities</b>		<b>65 498</b>	71 317

<sup>1</sup> Non-current derivative assets have been aggregated with other investments and loans, and non-current derivative liabilities with other non-current liabilities as a result of them being immaterial. Current derivative liabilities have been aggregated with other non-current liabilities as a result of them being immaterial.

<sup>2</sup> Financing receivables of US\$185m previously aggregated into 'Other receivables' are now presented in 'Trade and financing receivables' due to the group's growing credit business.

<sup>3</sup> Accrued interest expense of US\$124m previously aggregated into 'Accrued expenses' is now presented in 'Current portion of long-term liabilities' to present the interest component with the interest-bearing liabilities.

# Summary consolidated statement of changes in equity

for the year ended 31 March 2023

	Share capital and premium US\$m	Treasury shares US\$m	Foreign currency translation reserve US\$m	Valuation reserve US\$m	Existing control business combination reserve US\$m	Share-based compensation reserve US\$m	Retained earnings US\$m	Shareholders' funds US\$m	Non-controlling interest US\$m	Total US\$m
<b>Balance at 1 April 2022</b>	4 611	(43 753)	(1 430)	3 002	10 420	2 811	44 920	20 581	29 547	50 128
Total comprehensive income for the year	—	—	(652)	(1 085)	—	475	4 331	3 069	3 535	6 604
Profit for the year	—	—	—	—	—	—	4 331	4 331	5 623	9 954
Total other comprehensive loss for the year	—	—	(652)	(1 085)	—	475	—	(1 262)	(2 088)	(3 350)
Employee share movements	—	102	—	—	—	—	—	102	—	102
Repurchase of own shares <sup>1</sup>	—	(3 174)	—	—	—	—	—	(3 174)	—	(3 174)
Share-based compensation movements	—	—	—	—	—	20	10	30	63	93
Share-based compensation expense	—	—	—	—	—	67	—	67	81	148
Transfers to retained earnings	—	—	—	—	—	—	—	—	—	—
Modification of share-based compensation benefits	—	—	—	—	—	(6)	4	(2)	(4)	(6)
Other share-based compensation movements	—	—	—	—	—	(41)	6	(35)	(14)	(49)
Direct equity movements	—	—	—	433	(46)	(158)	(229)	—	—	—
Direct movements from associates	—	—	—	144	—	—	(144)	—	—	—
Transfer of reserves as a result of partial disposals of associates	—	—	—	120	—	(158)	38	—	—	—
Transfer of reserves as a result of disposals	—	—	—	169	(72)	—	(97)	—	—	—
Other direct equity movements	—	—	—	—	26	—	(26)	—	—	—
Cancellation of written put option liabilities	—	—	—	—	18	—	—	18	23	41
Remeasurement of written put option liabilities	—	—	—	—	72	—	—	72	96	168
Other movements	—	—	—	—	—	—	9	9	(6)	3
Dividends paid <sup>2</sup>	—	—	—	—	—	—	(78)	(78)	(113)	(191)
Change due to repurchase programme	—	—	—	—	(741)	—	—	(741)	(6 550)	(7 291)
Repurchase of Prosus shares <sup>1</sup>	—	—	—	—	(10 043)	—	—	(10 043)	—	(10 043)
Disposal of Prosus shares <sup>1</sup>	—	—	—	—	2 752	—	—	2 752	—	2 752
Change in Prosus shareholding	—	—	—	—	6 550	—	—	6 550	(6 550)	—
Other transactions with non-controlling shareholders <sup>3</sup>	—	—	5	—	(933)	—	—	(928)	(950)	(1 878)
<b>Balance at 31 March 2023</b>	4 611	(46 825)	(2 077)	2 350	8 790	3 148	48 963	18 960	25 645	44 605

<sup>1</sup> Relates to the share repurchase programme. Refer to note 3.

<sup>2</sup> The dividend was approved on 25 August 2022 (2022: 25 August 2021) and was paid on 10 October 2022 (2022: 6 December 2021).

<sup>3</sup> The current year relates mainly to the transaction with the non-controlling shareholders of iFood. Refer to note 17.

	Share capital and premium US\$m	Treasury shares US\$m	Foreign currency translation reserve US\$m	Valuation reserve US\$m	Existing control business combination reserve US\$m	Share-based compensation reserve US\$m	Retained earnings US\$m	Shareholders' funds US\$m	Non-controlling interest US\$m	Total US\$m
<b>Balance at 1 April 2021</b>	4 611	(3 679)	(1 841)	5 044	(9 346)	2 390	32 015	29 194	11 667	40 861
Total comprehensive income for the year	—	—	381	(1 155)	—	531	12 223	11 980	4 167	16 147
Profit for the year	—	—	—	—	—	—	12 223	12 223	6 315	18 538
Total other comprehensive loss for the year	—	—	381	(1 155)	—	531	—	(243)	(2 148)	(2 391)
Movement due to share exchange <sup>1</sup>	—	(38 762)	—	—	21 812	—	—	(16 950)	16 828	(122)
Treasury share movements	—	(1 312)	—	—	—	—	—	(1 312)	—	(1 312)
Share-based compensation movements	—	—	—	—	—	3	(125)	(122)	(108)	(230)
Share-based compensation expense	—	—	—	—	—	50	—	50	75	125
Other share-based compensation movements	—	—	—	—	—	(45)	45	—	—	—
Modification of share-based compensation benefits <sup>2</sup>	—	—	—	—	—	(2)	(170)	(172)	(183)	(355)
Direct equity movements	—	—	30	(887)	7	(117)	967	—	—	—
Direct movements from associates	—	—	—	(507)	—	—	507	—	—	—
Transfer of reserves as a result of partial disposals of associates	—	—	—	(332)	—	(117)	449	—	—	—
Transfer of reserves as a result of disposals	—	—	30	(48)	7	—	11	—	—	—
Cancellation of written put option liabilities	—	—	—	—	94	—	8	102	24	126
Remeasurement of written put option liabilities	—	—	—	—	100	—	—	100	137	237
Other movements	—	—	—	—	—	4	8	12	—	12
Dividends paid <sup>3</sup>	—	—	—	—	—	—	(176)	(176)	(62)	(238)
Transactions with non-controlling shareholders	—	—	—	—	(2 247)	—	—	(2 247)	(3 106)	(5 353)
<b>Balance at 31 March 2022</b>	4 611	(43 753)	(1 430)	3 002	10 420	2 811	44 920	20 581	29 547	50 128

<sup>1</sup> Refer to note 3 for details of the share exchange transaction.

<sup>2</sup> The decrease in retained earnings includes a decrease of US\$479.5m related to the modification of equity-settled schemes.

<sup>3</sup> The dividend was approved on 25 August 2021 and was paid on 6 December 2021.

# Summary consolidated statement of cash flows

for the year ended 31 March 2023

	Notes	31 March	
		2023 US\$m	2022 US\$m
<b>Cash flows from operating activities</b>			
Cash utilised in operations		(376)	(734)
Interest income received		324	46
Dividends received from equity-accounted investments		575	572
Interest costs paid		(567)	(389)
Taxation paid		(133)	(197)
<b>Net cash utilised in operating activities</b>		<b>(177)</b>	<b>(702)</b>
<b>Cash flows from investing activities</b>			
Acquisitions and disposals of tangible and intangible assets		(290)	(258)
Acquisitions of subsidiaries, associates and joint ventures, net of cash	16	(324)	(4 580)
Disposals of subsidiaries, businesses, associates and joint ventures, net of cash	16	12 668	14 641
Acquisition of short-term investments <sup>1</sup>		(6 606)	(3 966)
Maturity of short-term investments <sup>1</sup>		3 924	1 486
Cash paid for other investments <sup>2</sup>	16	(559)	(1 480)
Cash received from other investments <sup>3</sup>	16	3 764	85
Cash movement in other investing activities		(22)	(22)
<b>Net cash generated from investing activities</b>		<b>12 555</b>	<b>5 906</b>
<b>Cash flows from financing activities</b>			
Proceeds from sale of subsidiary shares	3	2 745	–
Payments for the repurchase of own shares	3	(3 150)	(1 286)
Proceeds from long and short-term loans raised		196	9 564
Repayments of long and short-term loans		(56)	(1 619)
Acquisition of group shares for equity-settled share-based compensation plans		(125)	(218)
Additional investment in existing subsidiaries <sup>4</sup>		(11 509)	(5 269)
Dividends paid by the holding company		(191)	(238)
Repayments of capitalised lease liabilities		(63)	(60)
Additional investment from non-controlling shareholders		67	140
Cash movements in other financing activities		(10)	(120)
<b>Net cash (utilised in)/generated from financing activities</b>		<b>(12 096)</b>	<b>894</b>
<b>Net movement in cash and cash equivalents</b>			
Foreign exchange translation adjustments on cash and cash equivalents		(82)	(132)
Cash and cash equivalents at the beginning of the year		9 715	3 749
Cash and cash equivalents classified as held for sale		(94)	–
<b>Cash and cash equivalents at the end of the year</b>		<b>9 821</b>	<b>9 715</b>

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

<sup>2</sup> Relates to payments for the group's fair value through other comprehensive income investments.

<sup>3</sup> Relates mainly to the group's investments measured at fair value. Cash received from other investments includes US\$54m dividends received from the JD.com investment.

<sup>4</sup> Relates to transactions with non-controlling interests resulting in changes in effective interest of existing subsidiaries. Includes the repurchase of Prosus shares on the market of US\$9.9bn (2022: US\$5.0bn). Refer to note 3.

# Notes to the summary consolidated financial statements

for the year ended 31 March 2023

## 1. General information

Naspers Limited (Naspers or the group) is a global consumer internet group and one of the largest technology investors in the world. Naspers has its primary listing on the Johannesburg Stock Exchange (JSE) in South Africa. Through Prosus N.V. (Prosus) the group operates and invests in countries and markets with long-term growth potential, building leading consumer internet companies that empower people and enrich communities. Prosus has its primary listing on Euronext Amsterdam and a secondary listing on the JSE and A2X Markets. Naspers is the majority shareholder of Prosus based on the voting rights and control structure of the Prosus group.

The summary consolidated financial statements for the year ended 31 March 2023 have been authorised for issue by the board of directors on 26 June 2023.

## 2. Basis of presentation and accounting policies

### Information on the summary consolidated financial statements

The summary consolidated financial statements for the year ended 31 March 2023 have been prepared in accordance with International Financial Reporting Standard (IFRS), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council as well as the requirements of the Companies Act of South Africa and the JSE Listings Requirements. These summary consolidated financial statements contain the information required by IAS 34 *Interim Financial Reporting* (IAS 34) with the exception of IAS 34.20(b) and, accordingly, the financial information for the second half of the current year is not presented separately.

The summary consolidated financial statements do not include all the disclosures required for complete annual financial statements prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB). The accounting policies in these summary consolidated financial statements are consistent with those applied in the previous consolidated annual financial statements for the year ended 31 March 2022, except for the impact of hyperinflation detailed below.

There were no new or amended accounting pronouncements effective from 1 April 2022 that have a significant impact on the group's summary consolidated financial statements.

The summary consolidated financial statements presented here report earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share (collectively referred to as earnings per share) per class of ordinary shares. These are calculated as the relationship of the number of ordinary shares (or dilutive ordinary shares where relevant) of Naspers issued at 31 March 2023 (net of treasury shares), to the relevant net profit measure attributable to the shareholders of Naspers.

The earnings per share information presented takes into account the impact of the share repurchase programme.

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

2. **Basis of presentation and accounting policies** continued

**Information on the summary consolidated financial statements** continued

**Operating segments**

The group's operating segments reflect the components of the group that are regularly reviewed by the chief operating decision-maker (CODM) as defined in note 22 'Segment Information' in the consolidated financial statements as included in the annual financial statements for the year ended 31 March 2023. The group proportionately consolidates its share of the results of its associates and joint ventures in its disclosure of segment results in note 4.

From 1 April 2022, following the operational separation from the OLX Group, the CODM reviewed the financial results of Avito separately from the Classifieds Ecommerce segment. The financial results of Avito are presented separately as a discontinued operation in the operating segment information up until the date of disposal as a result of the group's decision to exit the Russian business.

In March 2023, the group announced its decision to exit the OLX Autos business unit. The exit process is being executed for each operation within the business unit in its local market. The business unit as a whole represents a separate major line of business, both in terms of the distinct nature of the business and its contribution to the operational performance of the group. As such, the operations that are classified as held for sale and the operations that are closed down by 31 March 2023 have been presented as discontinued operations and are reviewed separately by the CODM. OLX Autos operations whose exit process has not been finalised as at 31 March 2023 are presented as continuing operations. These operations will be classified as discontinued operations in the financial year that the exit process is completed.

The comparative financial results of Avito and the relevant operations in the OLX Autos business described above, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations to allow the current performance of the business to be compared with prior periods. The change has no impact on the total group revenue, adjusted EBITDA and trading (loss)/profit in prior periods.

**Lag periods applied when reporting results of equity-accounted investments**

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

2. **Basis of presentation and accounting policies** continued

**Information on the summary consolidated financial statements** continued

**Going concern**

The summary consolidated financial statements are prepared on the going-concern basis. Based on forecasts and available cash resources, the group has adequate resources to continue operations as a going concern in the foreseeable future. As at 31 March 2023, the group recorded US\$16.6bn in cash, comprising US\$9.9bn of cash and cash equivalents and US\$6.7bn in short-term cash investments. The group had US\$16bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US\$2.6bn revolving credit facility.

In assessing going concern, the impact of internal and external economic factors on the group's operations and liquidity was considered in preparing the forecasts and in assessing the group's actual performance against budget. The board is of the opinion that the group has sufficient financial flexibility to continue as a going concern in the year subsequent to the date of these summary consolidated financial statements.

**Hyperinflation**

In June 2022, the International Monetary Fund declared Turkey as a hyperinflationary economy. Accordingly, the group applied the hyperinflationary accounting requirements of IAS 29 *Financial Reporting in Hyperinflationary Economies* for the group's subsidiaries in Turkey. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year.

On initial application of hyperinflationary accounting, opening equity for the group's subsidiaries is restated by applying a general price index from the date transactions arose. These restatements are recognised directly in equity. Subsequent to initial application, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later. The restatement of opening equity on initial application is not material.

The results, cash flows and financial position for the group's subsidiaries in Turkey are adjusted using a general price index to reflect the current purchasing power at the end of the reporting period. The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition of these subsidiaries to the end of the reporting period. The gain or loss on the net monetary position from translation of the financial information is recognised in the summary consolidated income statement, except for goodwill, other intangible assets and deferred tax liabilities arising at acquisition of these subsidiaries. The impact of the gain on the net monetary position in the summary consolidated income statement is not material.

Goodwill, other intangible assets and deferred tax liabilities arising at acquisition of these subsidiaries are restated using the general price index at the end of the reporting period. The gain or loss on the net monetary position from the adjustment of these assets and liabilities is recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

The general price index as published by the Turkish Statistical Institute was used in adjusting the results, cash flows and financial position for the group's subsidiaries in Turkey up to 31 March 2023. The general price inflation factor up to 31 March 2023 was 275.99%.

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

**Share repurchase programme**

On 27 June 2022, the group announced the beginning of an open-ended repurchase programme of Prosus ordinary shares N and Naspers N ordinary shares.

The Prosus repurchase programme of its ordinary shares N is funded by an orderly on-market sale of Tencent Holdings Limited (Tencent) shares. Until 12 August 2022, Prosus also purchased Naspers N ordinary shares.

In September 2022, Naspers began to dispose of some of the Prosus shares that it holds in order to provide further funding for the repurchase of Naspers shares pursuant to the repurchase programme.

The group has appointed agents to execute the repurchase programme and sale of Tencent shares within parameters set by the group and subject to applicable laws and regulations. As part of the repurchase programme, for the period between 28 June 2022 and 31 March 2023, Prosus purchased 4 152 285 Naspers N ordinary shares for a total consideration of US\$626m and repurchased 152 797 117 Prosus ordinary shares N for a total consideration of US\$10.0bn, of which US\$9.9bn was settled in cash by 31 March 2023.

These transactions were mainly funded by the sale of 267 664 800 Tencent shares yielding proceeds of US\$10.7bn. Furthermore, for the year ended 31 March 2023, Naspers, through its subsidiary MIH Treasury Services (Pty) Limited, purchased 16 320 371 Naspers N ordinary shares on the market for a total consideration of US\$2.5bn. This transaction was funded by Naspers' disposal of 43 356 695 Prosus ordinary shares N on the market, yielding proceeds of US\$2.8bn.

Subsequent to the above transactions, Prosus now holds a 52.5%<sup>1</sup> (2022: 49.5%) fully diluted interest, representing a 52.7%<sup>2</sup> (2022: 49.9%) economic interest in Naspers. Prosus' legal ownership in Naspers remains less than 50% as at 31 March 2023.

The accounting for the share repurchase programme takes into consideration the cross-holding agreement between Prosus and Naspers and is implemented in accordance with the applicable laws and regulations as well as the authority granted by shareholders. The repurchase programme has no impact on the control structure of the group. Prosus' interest in Naspers does not represent control or significant influence. Naspers therefore continues to hold the majority of the shareholder voting rights of Prosus.

The cross-holding agreement between Naspers and Prosus became effective at the time of closing of the voluntary share exchange in August 2021. The cross-holding agreement takes into account Prosus' indirect interest in itself from holding Naspers shares and deals with how distributions between the two groups will be managed. It eliminates the need for flows back and forth between the two groups as a result of the cross-shareholding, through a waiver by Prosus of its entitlement to distributions on the Naspers shares that it holds, and provides clarity to both Prosus and Naspers' free-float shareholders of their economic interest in distributions made by Prosus. The cross-holding agreement relates to Prosus' fully diluted interest in Naspers and Naspers' legal ownership of Prosus ordinary shares N. At 31 March 2023, subject to this agreement and subsequent to the repurchase transactions above Prosus' free-float shareholders' economic interest in the Prosus group is 56.5% (2022: 57.7%).

**Disposal of Prosus shares and Prosus repurchase of own shares**

The group's sale and repurchase of Prosus ordinary shares N impacted the Prosus free-float economic interest in the group. The transactions were accounted for as equity transactions as the change in economic interest had no impact on the control structure of the group. The consideration paid for the Prosus share repurchase and the consideration received for the disposal of Prosus shares resulted in a US\$6.6bn decrease in the non-controlling interest in equity. The excess of the net consideration for Prosus shares over the decrease in non-controlling interest was recognised in 'Existing control business combination reserve' in equity, amounting to US\$741m.

**Naspers repurchase of own shares and Prosus acquisition of Naspers shares**

The Naspers N ordinary shares acquired by Prosus and repurchased by Naspers are classified as treasury shares. These are recognised in 'Treasury shares' on the summary consolidated statement of financial position. The treasury shares were recognised at a cost of US\$3.2bn.

**Disposal of shares in Tencent**

The group reduced its ownership interest in Tencent from 28.81% to 26.16%, yielding US\$10.7bn in proceeds. This is a partial disposal of an associate that does not result in a loss of significant influence. The group recognised a gain on partial disposal of US\$7.6bn in the summary consolidated income statement. The group reclassified a loss of US\$155m from the foreign currency translation reserve to the summary consolidated income statement related to this partial disposal.

**Other transactions with non-controlling shareholders**

In August 2022, the group entered into an agreement through its subsidiary MIH Mobile Holdings B.V. (Mobile) to acquire the remaining 33.3% stake in iFood Holdings B.V. (iFood) and IF-JE Holdings B.V., from non-controlling shareholder Just Eat Holding Limited (Just Eat). The transaction was completed in November 2022. Refer to note 17.

<sup>1</sup> Interest in Naspers based on the cross-holding agreement formula, which was approved in the shareholder resolution.  
<sup>2</sup> Interest based on distribution rights to each class of shareholders.

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

**Exit of the OLX Autos business unit**

In March 2023, the group announced the decision to exit the OLX Autos business unit. The OLX Autos business unit is a second-hand car-sale ecommerce marketplace which operates through a single technological platform located in various regions. The group believes that significant value exists in the business within its various local markets. Based on this and the ongoing exit process, options for the business are being considered, resulting in the decision to sell or close down each operation in its local market. The business unit as a whole represents a separate major line of business, both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The operations of this business classified as held for sale and those that have been closed down by 31 March 2023 are presented as discontinued operations.

The OLX Autos operations whose exit process has not been finalised as at 31 March 2023 are presented as continuing operations given the phased exit process for this business. These operations will be classified as discontinued operations in the financial year that the exit process is completed.

OLX Autos revenue and trading loss for the year were US\$1.8bn (2022: US\$1.6bn) and US\$418m (2022: US\$230m) respectively, of which US\$853m (2022: US\$601m) of revenue and US\$216m (2022: US\$107m) of trading losses are included in continuing operations.

The group recognised total impairment losses of US\$164m of which US\$19m is included in discontinued operations. The impairment losses relate to US\$116m of goodwill and US\$48m of other assets. The other assets impaired are property, plant and equipment and other intangible assets that will not be recovered through the sale of the business.

**Profit from discontinued operations**

Discontinued operations consist of the group's Russian business and the OLX Autos business unit. Refer to note 5 for financial information related to the group's discontinued operations.

**4. Segmental review**

**Reconciliation of consolidated adjusted EBITDA and trading loss to consolidated operating loss from continuing operations**

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Consolidated adjusted EBITDA from continuing operations<sup>1</sup></b>	<b>(685)</b>	(557)
Depreciation	(129)	(108)
Amortisation of software	(15)	(8)
Interest on capitalised lease liabilities	(15)	(11)
<b>Consolidated trading loss from continuing operations<sup>2</sup></b>	<b>(844)</b>	(684)
Interest on capitalised lease liabilities	15	11
Amortisation of other intangible assets	(80)	(81)
Other (losses)/gains - net	(747)	(163)
Other	3	6
Retention option expense	(20)	(19)
Remeasurement of cash-settled share-based incentive expenses	304	(27)
Share-based incentives for share options settled in Naspers Limited shares	(15)	(28)
<b>Consolidated operating loss from continuing operations</b>	<b>(1 384)</b>	(985)

<sup>1</sup> Adjusted EBITDA represents operating profit/loss, as adjusted, to exclude depreciation; amortisation; retention option expenses linked to business combinations; other losses/gains - net, which includes dividends received from investments, profits and losses on sale of assets, fair value adjustments of financial instruments, impairment losses, cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment, and subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which we have a cash cost on settlement with participants). It is considered a useful measure to analyse operational profitability.

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

# Notes to the summary consolidated financial statements continued

for the year ended 31 March 2023

## 4. Segmental review continued

	Revenue		
	Year ended 31 March		
	2023 US\$m	2022 US\$m	% change
<b>Continuing operations</b>			
Ecommerce	10 754	9 005	19
Classifieds <sup>1,2</sup>	1 575	1 324	19
Food Delivery	4 203	2 992	40
Payments and Fintech	1 052	796	32
Edtech	545	425	28
Etail	2 761	3 086	(11)
Other	618	382	62
Social and internet platforms	22 269	25 794	(14)
Tencent	22 269	25 261	(12)
VK <sup>3</sup>	—	533	(100)
Media	217	257	(16)
Corporate segment	—	—	—
Intersegmental	(3)	—	(100)
<b>Total economic interest from continuing operations</b>	<b>33 237</b>	<b>35 056</b>	<b>(5)</b>
Less: Equity-accounted investments	(26 459)	(28 762)	(8)
<b>Total consolidated from continuing operations</b>	<b>6 778</b>	<b>6 294</b>	<b>8</b>
<b>Total from discontinued operations<sup>1,2</sup></b>	<b>1 626</b>	<b>1 646</b>	<b>(1)</b>
<b>Total consolidated</b>	<b>8 404</b>	<b>7 940</b>	<b>6</b>

<sup>1</sup> From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations. Refer to note 5.

<sup>2</sup> From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business, both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The comparative financial results of these operations previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations. Refer to note 5.

<sup>3</sup> During the year ended 31 March 2022, the group lost significant influence in VK Company Limited (VK). In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

## 4. Segmental review continued

	Adjusted EBITDA		
	Year ended 31 March		
	2023 US\$m	2022 US\$m	% change
<b>Continuing operations</b>			
Ecommerce	(1 263)	(1 009)	(25)
Classifieds <sup>1,2</sup>	(113)	(37)	>(100)
Food Delivery	(545)	(651)	16
Payments and Fintech	(108)	(52)	>(100)
Edtech	(239)	(100)	>(100)
Etail	(2)	27	>(100)
Other	(256)	(196)	(31)
Social and internet platforms	6 295	7 623	(17)
Tencent	6 295	7 502	(16)
VK <sup>3</sup>	—	121	(100)
Media	13	23	(43)
Corporate segment	(201)	(209)	4
Intersegmental	—	—	—
<b>Total economic interest from continuing operations</b>	<b>4 844</b>	<b>6 428</b>	<b>(25)</b>
Less: Equity-accounted investments	(5 529)	(6 985)	21
<b>Total consolidated from continuing operations</b>	<b>(685)</b>	<b>(557)</b>	<b>(23)</b>
<b>Total from discontinued operations<sup>1,2</sup></b>	<b>46</b>	<b>133</b>	<b>(65)</b>
<b>Total consolidated</b>	<b>(639)</b>	<b>(424)</b>	<b>(51)</b>

<sup>1</sup> From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations. Refer to note 5.

<sup>2</sup> From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business, both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The comparative financial results of these operations previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations. Refer to note 5.

<sup>3</sup> During the year ended 31 March 2022, the group lost significant influence in VK Company Limited (VK). In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

# Notes to the summary consolidated financial statements continued

for the year ended 31 March 2023

## 4. Segmental review continued

	Trading (loss)/profit Year ended 31 March		
	2023 US\$m	2022 US\$m	% change
<b>Continuing operations</b>			
Ecommerce	(1 534)	(1 215)	(26)
Classifieds <sup>1,2</sup>	(156)	(70)	>(100)
Food Delivery	(649)	(724)	10
Payments and Fintech	(116)	(60)	(93)
Edtech	(258)	(117)	>(100)
Etail	(85)	(42)	>(100)
Other	(270)	(202)	(34)
Social and internet platforms	5 085	6 319	(20)
Tencent	5 085	6 273	(19)
VK <sup>3</sup>	—	46	(100)
Media	7	17	(59)
Corporate segment	(210)	(217)	3
Intersegmental	—	—	—
<b>Total economic interest from continuing operations</b>	<b>3 348</b>	<b>4 904</b>	<b>(32)</b>
Less: Equity-accounted investments	(4 192)	(5 588)	25
<b>Total consolidated from continuing operations</b>	<b>(844)</b>	<b>(684)</b>	<b>(23)</b>
<b>Total from discontinued operations<sup>1,2</sup></b>	<b>26</b>	<b>97</b>	<b>(73)</b>
<b>Total consolidated</b>	<b>(818)</b>	<b>(587)</b>	<b>(39)</b>

<sup>1</sup> From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations. Refer to note 5.

<sup>2</sup> From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business, both in terms of the distinct nature of the business and its contribution to the operational performance of the group. The comparative financial results of these operations previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations. Refer to note 5.

<sup>3</sup> During the year ended 31 March 2022, the group lost significant influence in VK Company Limited (VK). In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

## 5. Profit from discontinued operations

Discontinued operations consist of the group's Russian business and the OLX Autos business unit.

In May 2022, as a result of the continued conflict in the region, the group announced its decision to exit its Russian business. Accordingly, Avito was presented as a discontinued operation. The group entered into an agreement to sell its shareholding in Avito to Kismet Capital Group (Kismet) for a total cash consideration of US\$2.4bn. Kismet is a private investment group with a track record of investing in technology and telecommunications businesses in Russia. The transaction was completed in October 2022. The group recognised a gain on disposal of the subsidiary of US\$568m, including a reclassification of the accumulated foreign currency translation gain of US\$202m.

Discontinued operations for the OLX Autos business include the operations classified as held for sale and the operations closed down by 31 March 2023. Refer to note 14 for details of this business unit's disposal group.

The financial information relating to the group's discontinued operations is set out below:

### Income statement information of discontinued operations

	31 March	
	2023 US\$m	2022 US\$m
Revenue	1 626	1 646
Online sale of goods revenue	944	980
Classifieds listings revenue	601	582
Advertising revenue	50	50
Other revenue	31	34
Expenses	(1 606)	(1 550)
Impairment of goodwill and other assets <sup>1</sup>	(19)	—
Other expenses	(1 587)	(1 550)
<b>Profit before tax</b>	<b>20</b>	<b>96</b>
Taxation	(46)	(43)
<b>(Loss)/profit for the year</b>	<b>(26)</b>	<b>53</b>
Gain on disposal of discontinued operation	568	—
<b>Profit from discontinued operations</b>	<b>542</b>	<b>53</b>
<b>Profit from discontinued operations attributable to:</b>		
Equity holders of the group	229	32
Non-controlling interest	313	21
	542	53

<sup>1</sup> Relates to impairment losses of goodwill and other assets in the OLX Autos business unit.

### Cash flow statement information of discontinued operations

	31 March	
	2023 US\$m	2022 US\$m
Net cash generated from operating activities	145	153
Net cash generated from/(utilised in) investing activities <sup>1</sup>	1 985	(22)
Net cash generated from/(utilised in) financing activities	130	(86)
<b>Cash generated by discontinued operations</b>	<b>2 260</b>	<b>45</b>

<sup>1</sup> Includes the net cash inflow from the disposal of Avito. Refer to note 16.

### Per share information from discontinued operations<sup>1</sup>

	31 March	
	2023 US cents	2022 US cents
Earnings per N ordinary share	110	11
Diluted earnings per N ordinary share	110	11
Headline earnings per N ordinary share	—	12
Diluted headline earnings per N ordinary share	—	12

<sup>1</sup> Refer to note 6 for further details on the earnings per share from discontinued operations.



# Notes to the summary consolidated financial statements continued

for the year ended 31 March 2023

## 6. Earnings per share

### Calculation of headline earnings

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Earnings from continuing operations</b>		
Basic earnings attributable to shareholders	4 102	12 191
Impact of dilutive instruments of subsidiaries, associates and joint ventures	(166)	(230)
Diluted earnings attributable to shareholders	3 936	11 961
<b>Headline adjustments for continuing operations</b>		
Adjusted for:	(8 835)	(15 659)
Impairment of other assets	33	–
Impairment of goodwill, PPE and other intangible assets	720	246
Loss/(gain) on sale of assets	3	(4)
Gain recognised on loss of control	(23)	–
(Gains)/losses recognised on loss of significant influence	(30)	1 112
Net gains on acquisitions and disposals of investments	(27)	(33)
Gain on partial disposal of equity-accounted investments	(7 622)	(12 339)
Dilution losses/(gains) on equity-accounted investments	252	(95)
Remeasurements included in equity-accounted earnings <sup>2</sup>	(3 886)	(5 134)
Impairment of equity-accounted investments	1 745	588
	(4 733)	(3 468)
Total tax effects of adjustments	–	–
Total adjustment for non-controlling interest	4 982	5 054
<b>Basic headline earnings from continuing operations<sup>1</sup></b>	<b>249</b>	<b>1 586</b>
<b>Diluted headline earnings from continuing operations</b>	<b>83</b>	<b>1 356</b>
<b>Earnings from discontinued operations</b>		
Basic earnings attributable to shareholders	229	32
Impact of dilutive instruments of subsidiaries, associates and joint ventures	–	–
Diluted earnings attributable to shareholders	229	32
<b>Headline adjustments for discontinued operations</b>		
Adjustments for:	(544)	3
Loss on sale of property, plant and equipment	5	–
Impairment of goodwill, intangible assets and other assets	19	–
Net (gains)/loss on acquisitions and disposals of investments	(568)	3
	(315)	35
Total tax effects of adjustments	–	–
Total adjustment for non-controlling interest	315	–
<b>Basic headline earnings from discontinued operations<sup>1</sup></b>	<b>–</b>	<b>35</b>
<b>Diluted headline earnings from discontinued operations</b>	<b>–</b>	<b>35</b>

<sup>1</sup> Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements. The headline earnings measure is pursuant of the JSE Listings Requirements.

<sup>2</sup> Remeasurements included in equity-accounted earnings include US\$5.9bn (2022: US\$6.3bn) relating to gains arising on acquisitions and disposals by associates and US\$1.9bn (2022: impairment of US\$1.1bn) relating to net impairments of assets recognised by associates.

## 6. Earnings per share continued

	Year ended 31 March	
	2023 Number of shares	2022 Number of shares
Number of ordinary shares in issue at year-end (net of treasury shares)	196 320 624	215 454 129
Weighted adjustment for movement in shares held by share trusts and share repurchase programme	12 083 718	74 322 479
Weighted average number of ordinary shares in issue during the year	208 404 342	289 776 608
Adjusted for effect of future share-based payment transactions	88 097	805 932
Diluted weighted average number of ordinary shares in issue during the year	208 492 439	290 582 540
<b>Per share information related to continuing operations</b>		
Earnings per ordinary share (US cents) for the year		
Basic	1 968	4 207
Diluted	1 888	4 116
Headline earnings per ordinary share (US cents) for the year		
Basic	119	547
Diluted	40	467

### Earnings per share information

The earnings per share information presented takes into account the impact of the cross-holding agreement with Naspers as a result of the Prosus share exchange and the group's repurchase of the Naspers shares.

The group has in issue 435 511 058 N ordinary shares and 961 193 A ordinary shares as at 31 March 2023. The group recognised 240 151 627 N ordinary shares as treasury shares, which are the N ordinary shares held by the Naspers group share trusts and other group companies.

The A ordinary shareholders are entitled to one voting right per share but carries one fifth of the economic rights of Naspers N ordinary shareholders.

The number of shares in issue used in the earnings per share information is weighted for the period that the shares were in issue and not recognised as treasury shares. As a result, the N ordinary shares held by Prosus and Naspers group subsidiaries, are weighted for the period they were in issue and not recognised as treasury shares. Refer to note 3 for the impact of the share repurchase programme.

Notes to the summary consolidated financial statements continued  
for the year ended 31 March 2023

7. Revenue

	Reportable segment(s) where revenue is included	Year ended 31 March	
		2023 US\$m	2022 US\$m
Online sale of goods revenue	Etail and Classifieds	3 358	3 511
Classifieds listings revenue	Classifieds	436	426
Payment transaction commissions and fees <sup>1</sup>	Various	987	703
Mobile and other content revenue	Other Ecommerce	52	71
Food-delivery revenue	Food Delivery	1 366	986
Advertising revenue	Various	99	125
Educational technology revenue	Edtech	134	83
Printing, distribution, circulation, publishing and subscription revenue	Media	120	138
Other revenue	Various	226	251
		<b>6 778</b>	<b>6 294</b>

<sup>1</sup> This revenue is generated primarily from the Payments and Fintech segment and includes interest income revenue relating to the group's credit business across various segments.

Revenue in the table above relates to revenue from contracts with customers except for interest income revenue of US\$91m (2022: US\$14m) relating to the group's credit business in various segments.

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

Geographical area	Year ended 31 March	
	2023 US\$m	2022 US\$m
Africa	1 077	1 135
South Africa	1 071	1 129
Rest of Africa	6	6
Asia	528	358
Europe	2 834	2 959
Central Europe	641	736
Eastern Europe	2 131	2 124
Western Europe	62	99
Latin America	2 252	1 776
North America	87	65
Other	—	1
<b>Total revenue from continuing operations</b>	<b>6 778</b>	<b>6 294</b>

8. Finance (costs)/income

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Interest income</b>	<b>483</b>	<b>58</b>
Loans and bank accounts <sup>1</sup>	454	42
Other	29	16
<b>Interest expense</b>	<b>(571)</b>	<b>(407)</b>
Loans and overdrafts	(520)	(385)
Capitalised lease liabilities	(15)	(11)
Other	(36)	(11)
<b>Other finance income/(cost) – net</b>	<b>19</b>	<b>(91)</b>
Gain on translation of assets and liabilities	101	135
(Losses)/gains on derivative and other financial instruments <sup>2</sup>	(82)	(226)

<sup>1</sup> The increase in the current year relates primarily to increased cash and short-term investments.

<sup>2</sup> The prior year includes a cost of US\$217m related to the early settlement of portions of the 2025 and 2027 bonds.

9. Profit before taxation

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

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Depreciation</b>	<b>129</b>	<b>108</b>
<b>Amortisation</b>	<b>95</b>	<b>89</b>
Other intangible assets	80	81
Software	15	8
<b>Impairment losses on financial assets measured at amortised cost</b>	<b>36</b>	<b>11</b>
<b>Net realisable value adjustments on inventory, net of reversals<sup>1</sup></b>	<b>23</b>	<b>13</b>
<b>Other (losses)/gains – net</b>	<b>(747)</b>	<b>(163)</b>
(Loss)/profit on sale of assets	(3)	4
Impairment of goodwill, PPE and other intangible assets	(720)	(246)
Impairment of other assets	(33)	—
Dividends received from investments	—	45
Income on business support services	8	34
Other	1	—
<b>Net gains/(losses) on acquisitions and disposals</b>	<b>50</b>	<b>(1 128)</b>
Gains on disposal of investments net	26	33
Gains on loss of control transactions	23	—
Gains on sale of business	1	—
Gains/(losses) on loss of significant influence <sup>2</sup>	30	(1 112)
Remeasurement of contingent consideration	1	(6)
Transaction-related costs	(31)	(43)

<sup>1</sup> Net realisable value writedowns relate primarily to the Classifieds and Etail segments.

<sup>2</sup> In the prior year the group reclassified a portion of the foreign currency translation reserves related to VK from 'Other comprehensive income' to the summary consolidated income statement, amounting to a loss of US\$1.1bn as a result of the loss of significant influence.

# Notes to the summary consolidated financial statements continued

for the year ended 31 March 2023

## 10. Goodwill

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

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Goodwill</b>		
Cost	3 818	2 350
Accumulated impairment	(360)	(164)
<b>Opening balance</b>	<b>3 458</b>	<b>2 186</b>
Foreign currency translation effects <sup>1</sup>	356	(167)
Acquisitions of subsidiaries and businesses	11	1 692
Disposals of subsidiaries and businesses	(9)	(7)
Transferred to assets classified as held for sale <sup>2, 3</sup>	(1 649)	–
Impairment	(684)	(246)
<b>Closing balance</b>	<b>1 483</b>	<b>3 458</b>
Cost	2 448	3 818
Accumulated impairment	(965)	(360)

<sup>1</sup> The current period includes a net monetary gain of US\$95m relating to hyperinflation accounting for the group's subsidiaries in Turkey.

<sup>2</sup> Includes US\$15m foreign currency translation gains related primarily to Avito that was classified as held for sale prior to its disposal in October 2022.

<sup>3</sup> This relates primarily to Avito which was classified as held for sale in May 2022 prior to its disposal in October 2022 as well as the OLX Autos disposal group classified as held for sale in March 2023. Refer to note 5.

Goodwill is tested annually as at 31 December or more frequently if there is a change in circumstances that indicates that it might be impaired. The group has allocated goodwill to various cash-generating units (CGUs). The recoverable amounts of these CGUs have been determined based on the higher of the value in use calculations and the fair value less costs of disposal. During the current year and prior financial year, the recoverable amounts for CGUs were determined by predominantly using value in use calculations. Value in use is based on discounted cash flow calculations. These cash flow calculations are based on 10-year forecast information as many businesses have monetisation timelines longer than five years.

For the year ended 31 March 2023, the impairment assessment took into consideration the increase in market interest rates and country risk premiums and the overall business performance. The overall performance of the CGUs during the year was compared against budgets and forecasts. The group based its cash flow calculations on 10-year budgeted and forecast information approved by senior management and/or the various boards of directors of group companies. The 10-year budgets and forecasts consisted of cash flow projections including macroeconomic factors and trends.

The group recognised impairment losses on goodwill of US\$684m (2022: US\$246m) in the current year of which US\$560m relate to Stack Overflow in the Edtech segment and US\$116m relates to the OLX Autos business unit. The impairment loss of the OLX Autos business unit is as a result of the group's decision to exit the business and the assessment of the value that cannot be realised. The remainder of the goodwill related to this business is transferred to the disposal group classified as held for sale. The goodwill was allocated to the disposal group based on the relative fair values of the operations within the business (refer to note 14). Stack Overflow is a recent acquisition; however, the increase in risk-free rates resulted in an increase in the discount rate used in the value in use calculation for this investment. In addition, the business has not performed as expected in the current year due to challenging macroeconomic conditions. The recoverable amount was therefore below the carrying amount and resulted in the impairment loss. The prior year impairment related to Stack Overflow as a result of increased discount rates used in the value in use calculation for this investment.

## 11. Investments in associates

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

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Opening balance</b>	<b>44 461</b>	<b>40 566</b>
Associates acquired – gross consideration	769	4 824
Associates disposed of	(1)	(10)
Transferred to held for sale	(5)	(38)
Loss of significant influence	(743)	–
Share of current year changes in OCI and net asset value	(1 747)	(2 699)
Share of equity-accounted results	5 323	9 304
Impairment	(1 728)	(588)
Dividends received <sup>1</sup>	(5 089)	(4 426)
Foreign currency translation effects	(2 119)	(249)
Partial disposal of interest in associate <sup>2</sup>	(2 930)	(2 316)
Dilution (losses)/gains <sup>3</sup>	(261)	93
<b>Closing balance</b>	<b>35 930</b>	<b>44 461</b>

<sup>1</sup> In the current year, the dividend received from Tencent amounted to US\$565m cash and dividend in specie of US\$4.5bn in Meituan shares (2022: US\$570m cash dividend and dividend in specie of US\$3.9bn in JD.com shares).

<sup>2</sup> Relates to partial disposal of Tencent. During the current year the group recognised a gain on partial disposal of US\$7.6bn (2022: US\$12.3bn).

<sup>3</sup> The total dilution gains presented in the summary consolidated income statement relate to the group's diluted effective interest in associates and the reclassification of a portion of the group's foreign currency translation reserves from the summary consolidated statement of other comprehensive income to the summary consolidated income statement following the shareholding dilutions.

### Impairment of equity-accounted investments

The group assesses whether there is an indication that its equity-accounted investments are impaired. For the year ended 31 March 2023, the group assessment took into consideration the market capitalisation of the listed equity-accounted investments, the increase in market interest rates and country risk premiums, and the overall business performance.

Impairment assessments for the group's listed equity-accounted investments related to Delivery Hero and Skillsoft as a result of a decline in the market capitalisation and the increase in country risk premiums for these investments. Impairment assessments for the group's unlisted equity-accounted investments related primarily to an investment in the Classifieds segment as a result of the increase in market interest rates and the overall business performance.

The recoverable amounts of equity-accounted investments have been determined based on the higher of the value in use calculations and the fair value less costs of disposal. During the current year and prior financial year, the recoverable amounts were determined using value in use calculations except for Skillsoft which was determined using fair value less costs of disposal (market price) as at 31 March 2023. The recoverable amount for Skillsoft was, however, based on a value in use calculation as at 30 September 2022. As at 31 March 2023, Skillsoft was impaired to its market value due to the significant decline in the share price over time. Accordingly, the market price is considered the supportable representation of the recoverable amount for the investment. The value in use calculation was determined using the discounted cash flow method. The market price of Skillsoft is level 1 on the fair value hierarchy. The group used 10-year projected cash flow models as many businesses have monetisation timelines of longer than five years.

For Delivery Hero, the value in use calculations were higher than the market price for this investment because market prices include current market sentiment, while value in use calculations considers a longer-term horizon. The increase of the market price following the release of the December 2022 and first quarter 2023 financial results, supports the recoverable amount determined by the value in use calculations.

The value in use calculations for the listed equity-accounted investments were determined using the sum-of-the-parts approach. Delivery Hero's 10-year projected cash flow models incorporated market views and publicly available analyst projections. Skillsoft's 10-year projected cash flow models as at September 2022 incorporated forecast cash flow information based on the company's latest guidance.

For the unlisted equity-accounted investments, the 10-year projected cash flow models incorporated forecast cash flow information based on the latest management guidance provided.

# Notes to the summary consolidated financial statements continued

for the year ended 31 March 2023

## 11. Investments in associates continued

### Impairment of equity-accounted investments continued

The value in use calculations determined the equity values for the investments which took into consideration the following key assumptions:

#### Revenue and expenses

Revenue and expenses in the cash flow models were based on past experience, management's future expectations of business performance and the latest guidance announced by Delivery Hero and Skillsoft.

#### Growth rates

The growth rates were consistent with publicly available information relating to long-term average growth rates for the markets in which the equity-accounted investments operate. The annual growth rate used for revenue and expenses over the 10-year forecast period ranged between 5% to 41% (2022: 2% to 47%) for equity-accounted investments.

#### Discount rates

The discount rates used reflect specific risks relating to the relevant operations and the regions in which they operate, while for certain operations, risk adjustments are made to discount rates used when calculating the value in use. Discount rates take into account country risk premiums and inflation differentials, as appropriate. Post-tax discount rates used ranged between 11% to 29% (2022: 10% to 20%). Pre-tax discount rates used ranged between 13% to 35% (2022: 11% to 25%) for equity-accounted investments.

#### Terminal growth rates

The terminal growth rates considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecast periods once the business segment is assumed to have reached maturity. The terminal growth rates ranged between 2% to 8% (2022: 2% to 5%) for equity-accounted investments. The terminal growth rate was based on the expected growth in perpetuity in the markets where these businesses operate.

The recoverable amounts for the above investments were lower than the respective carrying amounts. Accordingly, for the year ended 31 March 2023, an impairment loss of US\$1.7bn (2022: US\$584m) was recognised for equity-accounted investments of which US\$997m (recognised in the first half of the financial year) related to Delivery Hero (2022: US\$nil), US\$301m related to Skillsoft (2022: US\$111m) and US\$431m related primarily to unlisted equity-accounted investments (2022: US\$nil). For the Skillsoft impairment loss the group recognised US\$204m at September 2022 and a further US\$97m as at 31 March 2023. The impairment loss for unlisted equity-accounted investments includes US\$326m related to an investment in the Classifieds segment.

At 31 March 2023, the carrying value for Delivery Hero and Skillsoft was US\$3.4bn and US\$123m (2022: US\$4.9bn and US\$383m) respectively, while the group share in the market capitalisation of these investments was US\$2.7bn and US\$123m (2022: US\$3.0bn and US\$302m) respectively.

#### Sensitivity to changes in assumptions

An adverse adjustment to any of the above key assumptions used in the value in use calculations would result in additional impairment losses being recognised.

## 12. Other investments and loans

	Year ended 31 March	
	2023 US\$m	2022 US\$m
Investments at fair value through other comprehensive income (OCI)	7 329	5 540
Investments at fair value through profit or loss	34	64
Investments at amortised cost	8	—
Related party loans	143	258
<b>Total investments and loans</b>	<b>7 514</b>	<b>5 862</b>
<b>Current portion of other investments</b>	<b>(4 707)</b>	<b>—</b>
Investments at fair value through other comprehensive income (OCI)	(4 707)	—
<b>Non-current portion of other investments</b>	<b>2 807</b>	<b>5 862</b>
<b>Reconciliation of investments at fair value through other comprehensive income</b>		
<b>Opening balance</b>	<b>5 540</b>	<b>1 608</b>
Fair value adjustments recognised in OCI	21	(509)
Purchases/additional contributions <sup>1</sup>	4 724	4 423
Loss of significant influence of investments in associates	830	26
Disposals <sup>2</sup>	(3 775)	(51)
Foreign currency translation effects	(11)	43
<b>Closing balance</b>	<b>7 329</b>	<b>5 540</b>

<sup>1</sup> Significant movement in the current year relates to the Meituan dividend in specie received from Tencent. The prior year related to the JD.com dividend in specie received from Tencent. Refer to note 16.

<sup>2</sup> The significant movement in the current year relates to the disposal of the JD.com investment. Refer to note 16.

## 13. Commitments and contingent liabilities

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

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Commitments</b>	<b>407</b>	<b>254</b>
Capital expenditure	93	96
Other service commitments	307	134
Lease commitments <sup>1</sup>	7	24

<sup>1</sup> Lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement date is after 31 March 2023. Short-term lease commitments relate to leasing arrangements with lease terms of 12 months or less that are not recognised in the summary consolidated statement of financial position.

As a global technology investor, the group's portfolio of businesses is well diversified by sector and geography. The group operates on a decentralised basis in numerous countries. Businesses are based in the countries where their operations, their users and consumers are. As a result, the group's businesses pay taxes locally, in the jurisdictions where they operate and where the group's products and services are consumed. Where relevant and appropriate, the group seeks advice and works with its advisers to identify and quantify contingent tax exposures. Our current assessment of possible tax exposures, including interest and potential penalties, amounts to approximately US\$191m (2022: US\$18m).

## 14. Disposal groups classified as held for sale

In September 2022, the assets and liabilities of the group's subsidiary Zoop Tecnologia e Meios de Pagamento S.A. (Zoop) were classified as held for sale following the decision to sell the investment. The group is in negotiations with potential buyers.

In March 2023, the group announced the decision to exit the OLX Autos business unit. The disposal group that is classified as held for sale consists of assets and liabilities of the operations that management has committed to a plan to sell. Efforts to sell the disposal group are in progress and is expected in the 2024 financial year.

The assets and liabilities of the businesses classified as held for sale are detailed below:

	31 March	
	2023 US\$m	2022 US\$m
<b>Assets</b>		
Property, plant and equipment	26	1
Goodwill	302	—
Other intangible assets	29	—
Investments in associates	—	38
Inventory	32	—
Deferred taxation assets	2	—
Trade and other receivables	164	—
Cash and cash equivalents <sup>1</sup>	94	—
	<b>649</b>	<b>39</b>
<b>Liabilities</b>		
Derivative financial instruments	1	—
Deferred taxation liabilities	13	—
Long-term liabilities	29	—
Provisions	2	—
Trade payables	165	—
Accrued expenses and other current liabilities	66	—
	<b>276</b>	<b>—</b>

<sup>1</sup> Included in cash and cash equivalents is US\$45m relating to restricted cash from Zoop.

15. Equity compensation benefits

Liabilities arising from cash-settled share-based payment transactions

Reconciliation of the cash-settled share-based payment liability is as follows:

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Opening balance</b>	<b>1 169</b>	1 127
SAR scheme charge per the income statement <sup>1</sup>	(196)	148
Employment-linked put option charge per the income statement	14	23
Additions	—	5
Settlements	(176)	(510)
Modification <sup>2</sup>	4	355
Transferred to liabilities classified as held for sale <sup>3</sup>	(37)	—
Foreign currency translation effects	(50)	21
<b>Closing balance</b>	<b>728</b>	1 169
Less: Current portion of cash-settled share-based payment liability	(655)	(985)
<b>Non-current portion of cash-settled share-based payment liability</b>	<b>73</b>	184

<sup>1</sup> The decrease in the expense is as a result of the decline in the fair values of the underlying businesses that decreased the estimated cash settlement for the schemes.  
<sup>2</sup> Some of the group's equity-settled compensation plans were prospectively modified to cash-settled due to the change in settlement policy of the share option schemes. In the 31 March 2022 financial year, the modification relates primarily to the iFood share option scheme to cash-settled.  
<sup>3</sup> Relates primarily to Avito which was classified as held for sale in May 2022 prior to its disposal in October 2022 as well as the OLX Autos disposal group classified as held for sale in March 2023.

16. Business combinations, other acquisitions and disposals

The following sets out the group's significant transactions related to business combinations and equity-accounted investments for the year ended 31 March 2023:

Company	Classification	Amount invested US\$m			
		Net cash paid/(received)	Non-cash consideration	Cash in entity acquired/(disposed)	Total consideration
<b>Acquisition of subsidiaries</b>					
Other <sup>1</sup>	Subsidiary	18	—	1	19
		18	—	1	19
<b>Acquisition of equity-accounted investments</b>					
Other <sup>1</sup>	Associate	12	—	—	12
		12	—	—	12
<b>Additional investment in existing equity-accounted investments</b>					
a Delivery Hero SE (Delivery Hero)	Associate	194	288	—	482
Other <sup>1</sup>	Associate	99	—	—	99
		293	288	—	581
<b>Other investments</b>					
b DoorDash Inc. (DoorDash)	FVOCI	—	58	—	58
e Think & Learn Private Limited (BYJU'S)	FVOCI	—	578	—	578
f Udemy Inc. (Udemy)	FVOCI	—	207	—	207
h Oda Norway AS (Oda)	FVOCI	—	45	—	45
g Meituan	FVOCI	—	4 523	—	4 523
Other <sup>1, 2</sup>	FVOCI/FVPL	559	—	—	559
		559	5 411	—	5 970
<b>Disposal/partial disposal of investments</b>					
b Wolt Enterprises OY (Wolt)	FVOCI	—	(58)	—	(58)
c JD.com	FVOCI	(3 666)	—	—	(3 666)
d Tencent Holdings Limited (Tencent)	Associate	(10 613)	(103)	—	(10 716)
e Think & Learn Private Limited (BYJU'S)	Associate	—	(578)	—	(578)
f Udemy Inc. (Udemy)	Associate	—	(207)	—	(207)
h Oda Norway AS (Oda)	Associate	—	(45)	—	(45)
Other <sup>1</sup>		(44)	—	—	(44)
		(14 323)	(991)	—	(15 314)
<b>Disposal of subsidiaries</b>					
i Avito	Subsidiary	(2 039)	—	(326)	(2 365)
Other <sup>1</sup>	Subsidiary	(14)	(21)	(14)	(49)
		(2 053)	(21)	(340)	(2 414)

<sup>1</sup> 'Other' includes various acquisitions and disposals of subsidiaries, associates and other investments that are not individually material.  
<sup>2</sup> Includes the call options acquired for Delivery Hero shares prior to them being exercised.

**16. Business combinations, other acquisitions and disposals** *continued*

**Additional investment in existing equity-accounted investments**

- a. During the current year the group acquired an additional investment in Delivery Hero between December 2022 and March 2023, which increased its shareholding by approximately 4% to 29.95%. The additional interest was acquired by the purchase of shares on the market for US\$194m and the purchase of a call option to acquire additional shares which was exercised in March 2023.

**Other investments**

- b. In June 2022, in exchange for the group's entire interest in Wolt (a food and grocery-delivery marketplace), the group received shares in DoorDash to the value of US\$58m. DoorDash is a predominantly US-focused food, grocery and retail delivery marketplace listed on the NYSE. The investment is not held for trading, therefore, the group accounts for this as an investment at fair value through other comprehensive income.

**Disposal/Partial disposal of investments**

- c. In March 2022, the group received a special interim dividend from Tencent in the form of a distribution in specie of 131 873 028 JD.com shares. The group completed the sale of the 131 873 028 JD.com shares in June 2022, for total proceeds of US\$3.7bn. Accumulated fair value losses related to these shares of US\$189m were reclassified from the valuation reserve to retained earnings within equity as a result of this disposal.
- d. From June 2022 to the end of March 2023, the group sold approximately 3% of Tencent's issued share capital. The group reduced its stake in Tencent from 29% to 26%, for total proceeds of US\$10.7bn of which US\$103m was receivable at 31 March 2023. The group recognised a gain on partial disposal of US\$7.6bn, including a reclassification of accumulated foreign currency translation losses of US\$155m. Proceeds from this disposal are used to fund the group's share repurchase programme.
- e. In September 2022, the group lost significant influence in BYJU'S as it no longer exerts significant influence over the financial and operating policies of the entity. The group recognised a gain on loss of significant influence of the associate of US\$22m, including a reclassification of the accumulated foreign currency translation losses of US\$55m. The group accounted for its 9.60% effective interest in BYJU'S at fair value through other comprehensive income. The fair value of the BYJU'S investment, subsequent to the loss of significant influence, is US\$578m.
- f. In September 2022, the group lost its board representation in Udemey. The group recognised a gain on loss of significant influence of the associate of US\$77m. The group accounts for its 11.78% effective interest in Udemey at fair value through other comprehensive income. The fair value of the Udemey investment, subsequent to the loss of significant influence, is US\$207m.
- g. In November 2022, Tencent declared a special interim dividend in the form of a distribution in specie of 958 121 562 class B ordinary shares of Meituan to its shareholders on the basis of one (1) class B ordinary share of Meituan for every 10 shares held. As a result of this distribution the group obtained a 4% effective interest (257 460 450 class B ordinary shares) in Meituan. Meituan is a Chinese shopping platform for locally found consumer products and retail services including entertainment, dining, delivery, travel and other services. The investment is not held for trading; however, the group expects to sell the shares in due course. The group accounts for this as an investment at fair value through other comprehensive income.

The group recognised a dividend receivable up until the distribution date of 24 March 2023. The dividend in specie distribution of the investment in Meituan has reduced the investment in Tencent by US\$4.5bn, representing the fair value of the investment on the distribution date.

- h. In December 2022, the group lost its significant influence in Oda due to the loss of its board representation. The group recognised a loss of US\$68m on loss of significant influence of the associate, including a reclassification of the accumulated foreign currency translation losses of US\$14m. The group accounts for its 12.87% effective interest in Oda at fair value through other comprehensive income. The fair value of the Oda investment subsequent to the loss of significant influence is US\$45m.

**Disposal of subsidiaries**

- i. In October 2022, the group entered into an agreement to sell its shareholding in Avito to Kismet Capital Group (Kismet) for a total cash consideration of US\$2.4bn. Kismet is a private investment group with a track record of investing in technology and telecommunications businesses in Russia. The group recognised a gain on disposal of the subsidiary of US\$568m, including a reclassification of the accumulated foreign currency translation gain of US\$202m.

**17. Changes in non-controlling interest**

The Prosus group represents a significant portion of Naspers' NAV as it comprises the international ecommerce and internet assets, including the investment in Tencent.

From June 2022, Prosus and Naspers began an open-ended share repurchase programme. Prosus repurchased 152 797 117 Prosus ordinary shares N and 4 152 285 Naspers N ordinary shares. Naspers repurchased 16 320 371 Naspers N ordinary shares and sold 43 356 695 Prosus ordinary shares N. Following these transactions, and as a result of the cross-holding arrangement between Naspers and Prosus, the group's economic interest in Prosus is 43.54% (2022: 42.29%). Accordingly, the 56.46% (2022: 57.71%) interest in Prosus held by free-float shareholders represents a significant non-controlling interest of the group.

The group's sale and repurchase of Prosus ordinary shares N impacted the Prosus free-float economic interest in the group. The transactions were accounted for as equity transactions because the change in economic interest had no impact on the control structure of the group. The change in the Prosus free-float economic interest resulted in a US\$6.6bn decrease in non-controlling interest and a US\$741m decrease in the 'Existing control business combination reserve' in equity.

The Prosus group prepares its own consolidated financial results, which are reported to its shareholders in accordance with its listing obligations on Euronext Amsterdam. More information on Prosus' results is available at <https://www.prosus.com>.

In August 2022, the group entered into an agreement through its subsidiary MIH Mobile Holdings B.V. (Movable) to acquire the remaining 33.3% stake in iFood Holdings B.V. (iFood) and IFJE Holdings B.V., from non-controlling shareholder Just Eat Holding Limited (Just Eat) for €1.5bn in cash, plus a contingent consideration of up to a maximum of €300m at a future date. The transaction was approved by Just Eat shareholders in November 2022. This agreement represents a contractual obligation to acquire shares from non-controlling interest. The group recognised US\$1.6bn in 'Other current liabilities' at inception of this agreement consisting of the cash and the fair value of the contingent consideration. The liability was raised from the 'Existing control business combination reserve' in equity prior to the transfer of the risks and rewards of ownership of these shares.

In November 2022, the shares were acquired from the non-controlling shareholders for the cash consideration of US\$1.5bn resulting in part settlement of the liability raised. At 31 March 2023, the fair value of the contingent consideration to be settled at a future date amounted to US\$88m. The group derecognised US\$68m of non-controlling interest.

The summarised financial information contained below relates to subsidiaries of the group that are considered to have significant non-controlling interests:

	Prosus N.V.	
	March 2023	March 2022
	US\$m	US\$m
<b>Summarised consolidated statement of financial position</b>		
Non-current assets	41 707	56 073
Current assets	23 371	15 265
<b>Total assets</b>	<b>65 078</b>	<b>71 338</b>
Non-current liabilities	16 048	16 402
Current liabilities	4 405	4 413
<b>Total liabilities</b>	<b>20 453</b>	<b>20 815</b>
Accumulated non-controlling interests	25 613	29 516
<b>Summarised consolidated income statement</b>		
Revenue from continuing operations	5 765	5 220
Net profit for the year attributable to equity holders	10 112	18 733
Other comprehensive loss attributable to equity holders	(3 542)	(3 167)
<b>Total comprehensive income attributable to equity holders</b>	<b>6 570</b>	<b>15 566</b>
Total comprehensive loss attributable to non-controlling interests	(98)	(83)
Dividends paid to non-controlling interests	(102)	(134)
Dividends declared by subsidiaries	191	238
<b>Summarised consolidated statement of cash flows</b>		
Cash flows utilised in operating activities	(120)	(605)
Cash flows generated from investing activities	12 643	4 392
Cash flows (utilised in)/generated from financing activities	(12 451)	2 403

# Notes to the summary consolidated financial statements continued

## for the year ended 31 March 2023

### 18. Financial instruments

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

The summary consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the group's risk management information disclosed in note 42 of the consolidated financial statements for the year ended 31 March 2023. There have been no material changes in the group's credit, liquidity, market risks or key inputs used in measuring fair value since 31 March 2022.

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

#### Fair value measurements at 31 March 2023 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
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	7 329	6 044	—	1 285
Financial assets at fair value through profit or loss	34	4	—	30
Forward exchange contracts	5	—	5	—
Cash and cash equivalents <sup>1</sup>	447	—	447	—
<b>Liabilities</b>				
Forward exchange contracts	2	—	2	—
Earn-out obligations	109	—	—	109

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

#### Fair value measurements at 31 March 2022 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
<b>Assets</b>				
Financial assets at fair value through other comprehensive income	5 540	4 767	—	773
Financial assets at fair value through profit or loss	64	19	—	45
Cash and cash equivalents <sup>1</sup>	928	—	928	—
Forward exchange contracts	27	—	27	—
Derivatives contained in lease agreements	11	—	—	11
Cross-currency interest rate swap	2	—	2	—
<b>Liabilities</b>				
Forward exchange contracts	18	—	18	—
Derivatives contained in lease agreements	2	—	—	2
Earn-out obligations	20	—	—	20

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

There was a transfer of US\$nil (2022: US\$4m) from level 2 to level 1 and a transfer of US\$1m (2022: US\$10m) from level 3 to level 1. There was another transfer of US\$622m (2022: US\$nil) to level 3 due to investments in associates that lost significant influence during the current year. There were no significant changes to the valuation techniques and inputs used in measuring fair value.

### 18. Financial instruments continued

#### Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values

##### Level 2 fair value measurements

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

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

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

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

##### Level 3 fair value measurements

Financial assets at fair value – relate predominantly to unlisted equity investments. The fair value of unlisted equity investments is based on the most recent funding transactions for these investments, a discounted cash flow calculation (DCF), or a weighted-income and market approach using a discounted cash flow calculation and market multiples. The unlisted equity investments based on a DCF or weighted-income and market approach relate to investments in the Edtech segment. The fair value of these unlisted equity investments is based on the following unobservable inputs:

##### Revenue growth rates and EBITDA margins

Revenue growth rates and EBITDA margins are based on past experience and management's future expectations of business performance.

##### Long-term growth rate

The long-term growth rate is based on expectations for inflation in the regions in which the business operates – the data is sourced from publicly available information. The long-term growth rate is spread over a 10-year forecast period. The annual growth rate used for revenue and expenses over the 10-year forecast period ranged between 2% to 6%.

##### Discount rate

The discount rate used is a weighted average cost of capital. The weighted average cost of capital takes into account the cost of equity and cost of debt. The cost of equity is based on a risk-free rate adjusted for specific risks such as a country risk and equity risk premium. The cost of debt is based on the pre-tax cost of debt adjusted with a sovereign spread premium net of tax. Discount rates used ranged between 12% to 15%.

##### Terminal growth rate

The terminal growth rate considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecast periods once the business segment has assumed to reach maturity. The terminal value assumes that free cash flow in the terminal period grows at the long-term growth rate and is then calculated using the Gordon Growth Model. Terminal growth rates used ranged between 1% to 5%.

For our largest investment in the Edtech segment, a 1% increase in the discount rates would result in a decrease in the valuation of this investment by US\$53m and a 1% decrease in the discount rates would result in an increase in the valuation of this investment by US\$60m.

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

Earn-out obligations – relate to amounts that are payable to the former owners of businesses now controlled by the group, provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believes 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.

Notes to the summary consolidated financial statements continued  
for the year ended 31 March 2023

18. Financial instruments continued

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

	31 March 2023			
	Financial assets at FVOCI <sup>1</sup> US\$m	Financial assets at FVPL <sup>2</sup> US\$m	Earn-out obligations US\$m	Derivatives embedded in leases US\$m
<b>Balance at 1 April 2022</b>	773	45	(20)	9
Additions	38	41	(96)	—
Total (losses)/gains recognised in the income statement	—	(12)	7	—
Total losses recognised in other comprehensive income	(80)	—	—	—
Settlements/disposals	(65)	(35)	—	(9)
Transfers from investments in associates	622	—	—	—
Transfer to held for sale	—	(9)	—	—
Foreign currency translation effects	(3)	—	—	—
<b>Balance at 31 March 2023</b>	<b>1 285</b>	<b>30</b>	<b>(109)</b>	<b>—</b>

	31 March 2022			
	Financial assets at FVOCI <sup>1</sup> US\$m	Financial assets at FVPL <sup>2</sup> US\$m	Earn-out obligations US\$m	Derivatives embedded in leases US\$m
<b>Balance at 1 April 2021</b>	139	16	(13)	7
Additions	582	23	—	—
Total gains/(losses) recognised in the income statement	—	6	(9)	2
Total gains recognised in other comprehensive income	107	—	—	—
Settlements/disposals	(46)	—	1	—
Transfers	(10)	—	—	—
Foreign currency translation effects	1	—	1	—
<b>Balance at 31 March 2022</b>	<b>773</b>	<b>45</b>	<b>(20)</b>	<b>9</b>

<sup>1</sup> Financial assets at fair value through other comprehensive income.  
<sup>2</sup> Financial assets at fair value through profit or loss.

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

Financial liabilities	31 March 2023		31 March 2022	
	Carrying value US\$m	Fair value US\$m	Carrying value US\$m	Fair value US\$m
Publicly traded bonds	15 377	12 009	15 492	13 056

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

19. Related party transactions and balances

The group entered into various related party transactions in the ordinary course of business with a number of related parties, including equity-accounted investments. 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:

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Sale of goods and services to related parties<sup>1</sup></b>		
Skillssoft Corp.	8	34
EMPG Holdings Limited	—	12
Bom Negocio Atividades de Internet Ltda (OLX Brasil)	28	14
Various other related parties	2	—
	<b>38</b>	<b>60</b>

<sup>1</sup> The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships are that of equity-accounted investments.

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

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Loans and receivables<sup>1</sup></b>		
Bom Negocio Atividades de Internet Ltda (OLX Brasil) <sup>2</sup>	150	219
Inversiones CMR S.A.S.	1	21
GoodGuyz Investments B.V.	6	6
Silvergate Capital Corporation	2	4
Various other related parties	17	6
Less: Allowance for impairment of loans and receivables <sup>3</sup>	—	—
<b>Total related party receivables</b>	<b>176</b>	<b>256</b>
Less: Non-current portion of related party receivables	(143)	(243)
<b>Current portion of related party receivables</b>	<b>33</b>	<b>13</b>

<sup>1</sup> The group provides services and loan funding to a number of its related parties. The nature of these related party relationships is that of equity-accounted investments.  
<sup>2</sup> During the current year a portion of the loan was capitalised to the investment in joint venture. The loan is repayable by October 2035 and is interest-free until April 2022. Subsequently, interest is charged annually at SELIC+2%.  
<sup>3</sup> Impairment allowance for related parties is based on a 12-month expected credit loss model and was not material.

Purchases of goods and services from related parties amounted to US\$3m (2022: US\$2m) and amounts payable to related parties amounted to US\$6m (2022: US\$6m). These amounts are not considered significant and relate to various related parties, most of which are equity-accounted investments of the group.

20. Events after the reporting period

As part of the share repurchase programme announced in June 2022, Prosus acquired 27 741 167 Prosus ordinary shares N for US\$2.02bn and Naspers acquired 5 480 549 Naspers N ordinary shares for US\$940m between April and 22 June 2023. Furthermore, Naspers disposed of 10 591 976 Prosus ordinary shares N for US\$766m between April and 22 June 2023. The group will account for this transaction in the same manner that it was accounted for in the year ended 31 March 2023.

The group sold 46 789 700 shares of Tencent Holdings Limited (Tencent) between April and 22 June 2023 yielding US\$2.05bn in proceeds. An accurate estimate for the gain on disposal of these shares cannot be made until the corresponding equity-accounted results for the period have been finalised.

In June 2023, the group received the requisite approval from the South African Reserve Bank for a proposed transaction in terms of which the crossholding between Naspers and Prosus will be removed. The implementation of the proposed transaction will enable the continuation of the share repurchase programme at the Naspers level. The proposed transaction is also intended to remove the complexity created by the crossholding between Naspers and Prosus while keeping the Naspers and Prosus free-float effective economic interests the same as they were prior to its implementation. This will be achieved through aligning the legal ownership in Prosus with the current respective free-float effective economic interests. The implementation of the proposed transaction is subject to the requisite regulatory and Naspers and Prosus shareholder and final board approvals being obtained.



# Other information to the summary consolidated financial statements

for the year ended 31 March 2023

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

### A.1 Core headline earnings

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

#### Reconciliation of core headline earnings

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Headline earnings from continuing operations (refer to note 6)</b>	<b>249</b>	1 586
Adjusted for:		
Equity-settled share-based payment expenses	629	777
Remeasurement of cash-settled share-based incentive expenses	(130)	24
Tax adjustment	6	–
Amortisation of other intangible assets	290	363
Fair value adjustments and currency translation differences	(37)	(737)
Retention option expense	10	–
Transaction-related costs	39	25
<b>Core headline earnings from continuing operations</b>	<b>1 056</b>	2 038
<b>Per share information for the year</b>		
Core headline earnings per ordinary share (US cents)	507	703
Diluted core headline earnings per ordinary share (US cents) <sup>1</sup>	427	622
Net number of ordinary shares issued ('000)		
Weighted average for the year	208 404	289 777
Diluted weighted average	208 492	290 583

<sup>1</sup> The diluted core headline earnings per share include a decrease of US\$166.0m (2022: US\$230.0m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

## A. Non-IFRS financial measures and alternative performance measures continued

### A.1 Core headline earnings continued

#### Reconciliation of core headline earnings continued

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Headline earnings from discontinued operations (refer to note 6)</b>	<b>–</b>	35
Adjusted for:		
Remeasurement of cash-settled share-based incentive expenses	(17)	(8)
Amortisation of other intangible assets	4	28
Fair value adjustments and currency translation differences	6	(6)
Retention option expense	–	(6)
<b>Core headline earnings from discontinued operations</b>	<b>(7)</b>	43
<b>Per share information for the year</b>		
Core headline earnings per ordinary share (US cents)	(3)	15
Diluted core headline earnings per ordinary share (US cents) <sup>1</sup>	(3)	15
Net number of ordinary shares issued ('000)		
Weighted average for the year	208 404	289 777
Diluted weighted average	208 492	290 583

<sup>1</sup> The diluted core headline earnings per share include a decrease of nil (2022: nil) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

#### Equity-accounted results

The group's equity-accounted investments contributed to the summary consolidated report as follows:

	Year ended 31 March	
	2023 US\$m	2022 US\$m
<b>Share of equity-accounted results from continuing operations</b>	<b>5 176</b>	9 255
Sale of assets	5	–
Gains on acquisitions and disposals	(5 875)	(6 269)
Impairment of investments	1 919	1 092
<b>Contribution to headline earnings from continuing operations</b>	<b>1 225</b>	4 078
Amortisation of other intangible assets	641	680
Equity-settled share-based payment expenses	1 440	1 512
Fair value adjustments and currency translation differences	(75)	(1 760)
Acquisition-related costs	62	42
<b>Contribution to core headline earnings from continuing operations</b>	<b>3 293</b>	4 552
Tencent	4 326	5 413
VK	–	(51)
Delivery Hero	(374)	(409)
Other	(659)	(401)
Attributable to:		
Equity holders of the group	1 418	2 515
Non-controlling interest	1 875	2 037

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

# Other information to the summary consolidated financial statements continued

for the year ended 31 March 2023

## A. Non-IFRS financial measures and alternative performance measures continued

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

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

- » Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were:

Currency (1FC = US\$)	Year ended 31 March	
	2023	2022
South African rand (ZAR)	0.0583	0.0670
Euro (EUR)	1.0415	1.1586
Chinese yuan renminbi (RMB)	0.1453	0.1562
Brazilian real (BRL)	0.1943	0.1891
Indian rupee (INR)	0.0124	0.0134
Polish zloty (PLN)	0.2213	0.2525
British pound sterling (GBP)	1.2036	1.3620
Turkish lira (YTL)	0.0557	0.0927
Romanian lei (RON)	0.2114	0.2346
Hungarian forint (HUF)	0.0026	0.0032

- » 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.

## A. Non-IFRS financial measures and alternative performance measures continued

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

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

#### For the year ended 31 March 2023

Transaction	Basis of accounting	Reportable segment	Acquisition/Disposal
Dilution of the group's interest in Tencent	Associate	Social and internet platforms	Disposal
Loss of control of the group's interest in VK	Associate	Social and internet platforms	Disposal
Disposal of the group's interest in AasaanJobs	Subsidiary	Ecommerce	Disposal
Dilution and subsequent step down of the group's interest in Selency	Subsidiary/Associate	Ecommerce	Disposal
Acquisition of the group's interest in Oda	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Flink	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Flip	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Delivery Solutions	Subsidiary	Ecommerce	Acquisition
Increase in the group's interest in Delivery Hero	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Eruditus together with the impact of change in revenue recognition	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in GoodHabitz	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Platzi	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Stack Overflow	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Skillsoft	Associate	Ecommerce	Acquisition
Dilution of the group's interest in Udemu together with the impact of change in revenue recognition	Associate	Ecommerce	Disposal
Increase in the group's interest in ElasticRun together with the impact of change in revenue recognition	Associate	Ecommerce	Acquisition
Increase in the group's interest in Meesho	Associate	Ecommerce	Acquisition
Increase in the group's interest in DeHaat	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in PharmEasy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Aruna	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in 99 Minutos	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Alwans	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Facity	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Captain Fresh	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Sangvhi Beauty	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Bux	Associate	Ecommerce	Acquisition

# Other information to the summary consolidated financial statements continued

for the year ended 31 March 2023

## A. Non-IFRS financial measures and alternative performance measures continued

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

For the year ended 31 March 2023

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Swiggy	Associate	Ecommerce	Disposal
Dilution of the group's interest in Remitly	Associate	Ecommerce	Disposal
Dilution and lag period catch-up adjustment following the subsequent loss of significant influence of the group's interest in BYJU'S	Associate	Ecommerce	Disposal/Acquisition
Disposal of the group's interest in PlayKids	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in Codecademy	Associate	Ecommerce	Disposal
Acquisition of the group's interest in ShareBite	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in A55	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Frexco	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Anota	Subsidiary	Ecommerce	Acquisition
Acquisition of the impact of the fair value adjustment on cash-settled schemes in Eruditus	Associate	Ecommerce	Acquisition
Acquisition of the impact of the hyper-inflation adjustment in Classifieds Autos	Subsidiary	Ecommerce	Foreign currency adjustment

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the year ended 31 March 2023 amounted to a negative adjustment of US\$1 393m on revenue and a negative adjustment of US\$482m on trading profit.

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

Transaction	Year ended 31 March							
	2022 A	2023 B	2023 C	2023 D	2023 E	2023 F	2023 G	2023 H
	IFRS 8 <sup>1</sup> US\$m	Group composition disposal adjustment US\$m	Group composition acquisition adjustment US\$m	Foreign currency adjustment US\$m	Local currency growth US\$m	IFRS 8 <sup>1</sup> US\$m	Local currency growth % change	IFRS 8 % change
<b>Continuing operations</b>								
<b>Revenue</b>								
Ecommerce	9 005	(197)	449	(1 039)	2 536	10 754	29	19
Classifieds <sup>5, 6</sup>	1 324	(18)	1	(276)	544	1 575	42	19
Food Delivery	2 992	(58)	208	(238)	1 299	4 203	44	40
Payments and Fintech	796	(6)	2	(144)	404	1 052	51	32
Edtech	425	(72)	135	(6)	63	545	18	28
Etail	3 086	(1)	21	(347)	2 276	2 761	—	(11)
Other	382	(42)	82	(28)	224	618	66	62
Social and internet platforms	25 794	(1 638)	—	(1 649)	(238)	22 269	(1)	(14)
Tencent	25 261	(1 105)	—	(1 649)	(238)	22 269	(1)	(12)
VK <sup>7</sup>	533	(533)	—	—	—	—	—	(100)
Media	257	(7)	—	(32)	(1)	217	—	(16)
Corporate segment	—	—	—	—	—	—	—	—
Intersegmental	—	—	—	(1)	(2)	(3)	<(100)	<(100)
<b>Economic interest from continuing operations</b>	35 056	(1 842)	449	(2 721)	2 295	33 237	7	(5)
Discontinued operations <sup>5, 6</sup>	1 651	(279)	1	48	205	1 626	15	(2)
<b>Group economic interest</b>	36 707	(2 121)	450	(2 673)	2 500	34 863	7	(5)

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

2 A + B + C + D + E.

3 [E/(A + B)] x 100.

4 [(F/A) - 1] x 100.

5 From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal.

6 From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group.

7 During the year ended 31 March 2022, the group lost significant influence in VK and the group accounted for its investment at fair value through other comprehensive income. In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

## A. Non-IFRS financial measures and alternative performance measures continued

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

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

Transaction	Year ended 31 March							
	2022 A	2023 B	2023 C	2023 D	2023 E	2023 F	2023 G	2023 H
	IFRS 8 <sup>1</sup> US\$m	Group composition disposal adjustment US\$m	Group composition acquisition adjustment US\$m	Foreign currency adjustment US\$m	Local currency growth US\$m	IFRS 8 <sup>1</sup> US\$m	Local currency growth % change	IFRS 8 % change
<b>Continuing operations</b>								
<b>Trading profit</b>								
Ecommerce	(1 215)	41	(231)	52	(181)	(1 534)	(15)	(26)
Classifieds <sup>5, 6</sup>	(70)	(4)	—	(5)	(77)	(156)	<(100)	<(100)
Food Delivery	(724)	23	(78)	48	82	(649)	12	10
Payments and Fintech	(60)	—	(2)	(11)	(43)	(116)	(72)	(93)
Edtech	(117)	16	(106)	4	(55)	(258)	(54)	<(100)
Etail	(42)	—	(5)	8	(46)	(85)	<(100)	<(100)
Other	(202)	6	(40)	8	(42)	(270)	(21)	(34)
Social and internet platforms	6 319	(292)	—	(381)	(561)	5 085	(9)	(20)
Tencent	6 273	(246)	—	(381)	(561)	5 085	(9)	(19)
VK <sup>7</sup>	46	(46)	—	—	—	—	—	(100)
Media	17	—	—	(1)	(9)	7	(53)	(59)
Corporate segment	(217)	—	—	7	—	(210)	—	3
<b>Economic interest from continuing operations</b>	4 904	(251)	(231)	(323)	(751)	3 348	(16)	(32)
Discontinued operations <sup>5, 6</sup>	95	(42)	24	40	(91)	26	<(100)	(73)
<b>Group economic interest</b>	4 999	(293)	(207)	(283)	(842)	3 374	(18)	(33)

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

2 A + B + C + D + E.

3 [E/(A + B)] x 100.

4 [(F/A) - 1] x 100.

5 From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation up until the date of disposal.

6 From 1 March 2023, following the group's decision to exit the OLX Autos business unit, its operations classified as held for sale and those that have been closed by 31 March 2023 were presented as a discontinued operation. The OLX Autos business unit is a separate major line of business both in terms of the distinct nature of the business and its contribution to the operational performance of the group.

7 During the year ended 31 March 2022, the group lost significant influence in VK and the group accounted for its investment at fair value through other comprehensive income. In November 2022, the group signed an agreement with VK to renounce all VK shares and shareholder rights for no consideration.

# Report on the assurance engagement on the compilation of pro forma financial information

## Report on the Assurance Engagement on the Compilation of Pro Forma Financial Information included in the Naspers summary consolidated financial statements for the year ended 31 March 2023

We have completed our assurance engagement to report on the compilation of the pro forma financial information of Naspers Limited (the "Company") by the directors. The pro forma financial information, as set out in notes A.1 and A.2 of the Naspers summary consolidated financial statements, consists of Pro Forma information for the year ending 31 March 2023 in order to separately present a measure of Core headline earnings, a reconciliation between Headline earnings and Core headline earnings and the contribution of equity accounted investments to Core headline earnings (Core headline earnings measures) as at 31 March 2023 and to present the impact of foreign currency, excluding current period acquisitions and disposals, to reflect the constant currency with the prior period (Organic growth figures) on certain earnings measures as at 31 March 2023. The applicable criteria on the basis of which the directors have compiled the pro forma financial information are specified in the JSE Limited (JSE) Listings Requirements and described in notes A.1 and A.2 of the Naspers summary consolidated financial statements as at 31 March 2023.

The pro forma financial information has been compiled by the directors in order to separately present a measure of Core headline earnings, a reconciliation between Headline earnings and Core headline earnings and the contribution of equity accounted investments to Core headline earnings (Core headline earnings measures) as at 31 March 2023 and to present the impact of foreign currency, excluding current period acquisitions and disposals, to reflect the constant currency with the prior period (Organic growth figures) on certain earnings measures as at 31 March 2023. As part of this process, information about the Company's financial performance has been extracted by the directors from the summary consolidated financial statements for the year ended 31 March 2023, on which an audit report has been published.

### Directors' responsibility

The directors of the Company are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in notes A.1. and A.2 of the Naspers summary consolidated financial statements for the year ended 31 March 2023.

### Our independence and quality management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the JSE Listings Requirements and described in notes A.1 and A.2 of the Naspers summary consolidated financial statements as at 31 March 2023 based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information is solely to separately present a measure of Core headline earnings, a reconciliation between Headline earnings and Core headline earnings and the contribution of equity accounted investments to Core headline earnings (Core headline earnings measures) as at 31 March 2023 and to present the impact of foreign currency, excluding current period acquisitions and disposals, to reflect the constant currency with the prior period (Organic growth figures) on certain earnings measures as at 31 March 2023. Accordingly, we do not provide any assurance that the actual financial outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- » The related pro forma adjustments give appropriate effect to those criteria; and
- » The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in notes A.1 and A.2 of the Naspers summary consolidated financial statements for the year ended 31 March 2023.

PricewaterhouseCoopers Inc.  
**Director: Vicki Myburgh**  
Registered Auditor  
Johannesburg, South Africa  
26 June 2023

# Romania

## Highlights

2021

Mobile subscriptions

**23 million\***

Internet users

**78%\***

2022



Unemployment rate

**5.5%**



GDP

**4.7%**



Inflation

**12%**

2023



Population

**>20 million**

\* Estimated.

## Naspers offers

» Ecosystem of complementary businesses on top of vibrant eMAG Romania platform: From retail core, extended into fashion (Fashion Days); food delivery (Tazz); grocery (Freshful); and financial services (HeyBlu). Overarching Genius loyalty programme, underpinning Sameday delivery service.

» ESG:

- An easybox order generates up to 95% less CO<sub>2</sub> than delivery to a customer's home - over 50% of orders through easybox.
- Promoting circular economy: Buy 'second-chance' products, buyback voucher programme for used home appliances with free pick-up, repair service, sale of refurbished second-hand mobile phones destined for landfill.
- 42 companies have signed eMAG's environmental pledge (*angajament pentru mediu*) - the first initiative to unite the Romanian business community behind the common goal of limiting the rise in global temperatures.



Group overview

Performance review

Sustainability review

Governance

Financial statements

Other information

**Company secretary**

**L Bagwandeen**

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Website: [www.naspers.com](http://www.naspers.com)

**Registration number**

1925/001431/06  
Incorporated in the Republic of South Africa  
JSE share code: NPN ISIN: ZAE000015889

**Independent auditor**

PricewaterhouseCoopers Inc.

**Transfer secretaries**

**JSE Investor Services Proprietary Limited**

(Registration number: 2000/007239/07)  
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**ADR programme**

Bank of New York Mellon maintains a GlobalBuyDIRECTSM plan for Naspers Limited. For additional information, please visit Bank of New York Mellon's website at [www.globalbuydirect.com](http://www.globalbuydirect.com) or call Shareholder Relations at 1-888-BNY-ADRS or 1-800-345-1612 or write to: Bank of New York Mellon, Shareholder Relations Department - GlobalBuyDIRECTSM, Church Street Station, PO Box 11258, New York, NY 10286-1258, USA.

**Sponsor**

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**Attorneys**

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**Werksmans Inc.**

PO Box 1474  
Cape Town 8000  
South Africa

**Investor relations**

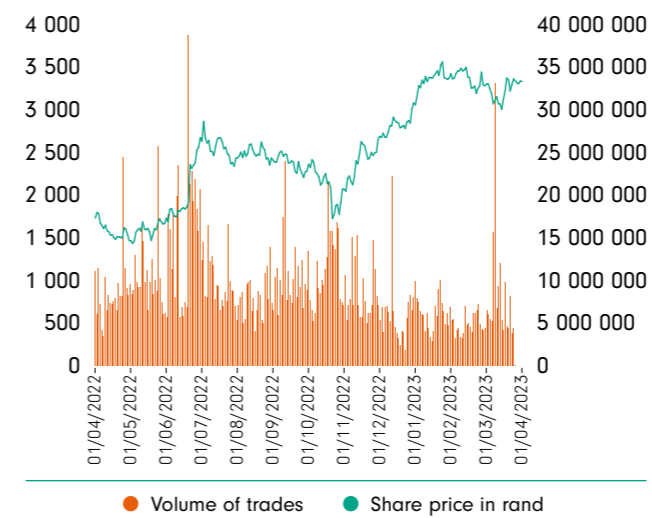
**Eoin Ryan**

InvestorRelations@naspers.com  
Tel: +1 347-210-4305

Shareholders	Number of shareholders	Number of shares
1 - 100 shares	59 956	1 617 708
101 - 1 000 shares	16 081	4 829 919
1 001 - 5 000 shares	2 568	5 646 139
5 001 - 10 000 shares	546	3 866 021
More than 10 000 shares	1 115	419 551 271
<b>Total</b>	<b>80 266</b>	<b>435 511 058</b>

Name	% of N ordinary shares	Number of N ordinary shares owned
Prosus N.V.	49.95%	217 552 704
Public Investment Corporation	7.60%	33 100 894

**Naspers share price and volume of trades**



**Public shareholder spread (N ordinary shares)**

To the best knowledge of the directors, the spread of public shareholders under section 4.25 of the JSE Listings Requirements at 31 March 2023 was 44.18%, represented by 80 254 shareholders holding 192 430 498 N ordinary shares in the company. The non-public shareholders of the company comprising 12 shareholders representing 243 080 560 N ordinary shares are analysed as follows:

Category	Number of N ordinary shares	% of N ordinary issued share capital
Naspers share-based incentive schemes	1 576 746	0.36%
Directors	2 942 761	0.68%
Group companies	238 574 881	54.78%

**Shareholders' diary**

Annual general meeting	August
<b>Reports</b>	
Interim for half-year to September	November
Announcement of annual reports	June
Annual financial statements	June
<b>Dividend</b>	
Declaration	August
Payment	December
Financial year-end	March

Term/Acronym	Description
ADR	American Depository Receipt
Advanced persistent threats	An exercise where a prolonged and targeted cyber-attack is carried out to gain access to a network and remain undetected for an extended period of time to identify and remediate existing weaknesses.
Advisory and assurance projects	Projects taken by the cyber-resilience team to advise and provide internal assurance to portfolio companies to enhance cyber-resilience in the group.
AFM	Netherlands Authority for the Financial Markets ( <i>Stichting Autoriteit Financiële Markten</i> )
AGM	Annual general meeting
Agtech	Agriculture technology
AI	Artificial intelligence
AI engineers	An employee that focuses on developing the tools, systems, and processes that enable artificial intelligence to be applied in the real world.
AI model production	A process of implementing an AI model into software in the group. This is measured by the number of models placed into production in the group.
Alternative performance measures (APMs)	In presenting and discussing our performance, we use certain alternative performance measures not defined by IFRS, referred to as non-IFRS-EU financial measures, alternative performance measures or APMs. Such measures include economic-interest-basis information; trading profit; adjusted EBITDA; headline earnings; core headline earnings; and growth in local currency, excluding acquisitions and disposals. Segmental reviews in this report are prepared showing revenue on an economic-interest basis (which includes consolidated subsidiaries and a proportionate share of associated companies and joint ventures), unless otherwise stated.
Associate	An entity over which we have significant influence, being the power to participate in the financial and operating policy decisions of the entity. Generally, an entity in which we have an interest of 20% to 50%.
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.
B2C	Business-to-consumer (direct-to-consumer)
bn	Billion
BNPL	Buy-now/pay-later
BRICS	Brazil, Russia, India, China and South Africa
BRL	Brazilian real
C2C	Consumer-to-consumer
CAGR	Compound annual growth rate
Capex	Capital expenditure
CEE	Central and Eastern Europe
CEO	Chief executive officer
CFO	Chief financial officer
CODM	Chief operating decision-maker
Core headline earnings	Core headline earnings represent headline earnings, excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to the group. These include those relating to share-based incentive awards settled by issuing treasury shares as well as certain share-based payment expenses that are deemed to arise on shareholder transactions; (ii) subsequent fair value remeasurement of cash-settled share-based incentive expenses; (iii) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; (iv) deferred taxation income recognised on the first-time recognition of deferred tax assets as this generally relates to multiple prior periods and distorts current-period performance; (v) fair value adjustments on financial instruments and unrealised currency translation differences, as these items obscure the group's underlying operating performance; (vi) once-off gains and losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in the group's composition and are not reflective of the group's underlying operating performance; (vii) the amortisation of intangible assets recognised in business combinations and acquisitions; and (viii) the donations due to Covid-19, as these expenses are not considered operational in nature. These adjustments are made to the earnings of businesses controlled by the group as well as the group's share of earnings of associates and joint ventures, to the extent that the information is available.

Term/Acronym	Description
Corporate	Corporate entities which have offices include the Netherlands, United States (Ventures), India, United Kingdom and Hong Kong offices, and corporate employees shall mean people employed at these offices who are employed by the corporate entities.
Covid-19	Coronavirus disease
CSRD	Corporate Sustainability Reporting Directive (Europe)
Data privacy roles	Employees in the group who champion data privacy throughout the group.
Data scientist	Employees who are responsible for collecting, analysing and interpreting data to help drive decision-making in an organisation.
DAU	Daily active users
Deep-tech	Technology that is based on tangible engineering innovation or scientific advances and discoveries.
Dmart	Small Delivery Hero-owned warehouse
D-RECs	Renewable-energy credits (electronic records that verify the source of electricity used).
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, taxes, depreciation and amortisation
Adjusted EBITDA	Adjusted EBITDA represents operating profit/loss, as adjusted to exclude: (i) depreciation; (ii) amortisation; (iii) retention option expenses linked to business combinations; (iv) other losses/gains - net, which includes dividends received from investments, profits and losses on sale of assets, fair value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (v) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (vi) subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants).
Ecommerce	Electronic commerce
Economic interest	Investments in associated companies and joint ventures have been accounted for under the equity method for all periods, unless otherwise indicated. Associated companies are those companies over which we exercise significant influence, but which we do not control or jointly control. Joint ventures are arrangements in which we contractually share control over an activity with others and in which the parties have rights to the net assets of the arrangement. This approach is consistent with the application of the equity method of accounting required by IFRS-EU in the financial statements. References to 'revenue from the group' or 'trading profit from the group', as applicable, therefore exclude our share of revenue or trading profit from investments in associated companies and joint ventures. We have, however, also included certain information based on the proportionate consolidation of associated companies and joint ventures in that section, as indicated therein and as further explained below. IFRS 8 <i>Operating Segments</i> aligns the reporting of operating segments with internal management reporting. As the CODM analyses segment results in accordance with the investments in associated companies and joint ventures on a proportionately consolidated basis for segmental reporting purposes, this method is also applied for segment reporting in the financial statements. Proportionate consolidation is a method of accounting whereby our share of each of the income and expenses of associated companies and joint ventures is combined line by line with similar items in our operating segments. We refer to revenue and trading profit measures that include its share of revenue or trading profit from investments in associated companies and joint ventures as 'proportionately consolidated' or on an 'economic-interest' basis.
Edtech	Marrying learning with technology, enabling new and exciting ways for more people to add to their skills and knowledge.
EMEA	Europe, Middle East and Africa
Employee	Persons employed by the group on a permanent or part-time basis, specifically excluding contract workers, as at 31 March 2023 determined in accordance with IFRS.
Employee engagement survey	The engagement survey responded to by corporate employees.
Energy consumption	The total amount of energy consumed for a given process and measured in kWh.
ESG	Environmental, social and governance

Term/Acronym	Description
Ethics and compliance officers	Employees in the group with responsibility for ethics and compliance, in a dedicated ethics and compliance role or alongside other responsibilities.
EU	European Union
EU AI-HLEG	EU's independent high-level expert group on artificial intelligence.
Fintech	Financial technology is an economic industry that introduces new solutions demonstrating an incremental or radical/disruptive innovation development of applications, processes, products or business models in the financial services industry.
FLIGHT	Funding and Learning Initiative for Girls in Higher Education and Skills Training (Prosus initiative)
FMCG	Fast-moving consumer goods
Free cash flow	Free cash flow represents cash generated from operations, plus dividends received, minus: (i) net capital expenditure; (ii) capital leases repaid (gross); and (iii) cash taxation paid. Free cash flow reflects an additional way of viewing our liquidity that the board believes is useful to investors because it represents cash flows that could be used for distribution of dividends, repayment of debt (including interest thereon) or to fund our strategic initiatives, including acquisitions, if any.
FY	Financial year
GAAP	Generally accepted accounting policies
GDP	Gross domestic product
GDPR	General Data Protection Regulation (Europe)
Generative AI (GenAI)	Systems that can generate new content - or manipulate existing content - based on text instructions.
GHG	Greenhouse gas
GMV	Gross merchandise value
GPO	Global Payments Operations
GRI	Formerly Global Reporting Initiative
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 business-to-consumer (B2C) platform.
Group	Naspers, Prosus and their subsidiaries.
Growth in local currency, excluding acquisitions and disposals	<p>We apply certain adjustments to the segmental revenue and trading profit reported in the financial statements to present the growth in such metrics in local currency and excluding the effects of changes in our composition. Such underlying adjustments provide a view of our underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in our composition on our results. Such adjustments are referred to herein as 'growth in local currency, excluding acquisitions and disposals'. We apply the following methodology in calculating growth in local currency, excluding acquisitions and disposals:</p> <ul style="list-style-type: none"> <li>» 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-EU results.</li> <li>» Adjustments made for changes in our composition relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in our shareholding in our equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business.</li> </ul>

Term/Acronym	Description
Headline earnings	Headline earnings represent net profit for the year attributable to the group's equity holders, excluding certain defined separately identifiable remeasurements relating to, among others, impairments of tangible assets, intangible assets (including goodwill) and equity-accounted investments, gains and losses on acquisitions and disposals of investments as well as assets, dilution gains and losses on equity-accounted investments, remeasurement gains and losses on disposal groups classified as held for sale and remeasurements included in equity-accounted earnings, net of related taxes (both current and deferred) and the related non-controlling interests. These remeasurements are determined in accordance with Circular 1/2021, headline earnings, as issued by the South African Institute of Chartered Accountants, at the request of the JSE Limited in relation to the calculation of headline earnings and disclosure of a detailed reconciliation of headline earnings to the earnings numbers used in the calculation of basic earnings per share in accordance with the requirements of IAS 33 Earnings per Share, under the JSE Listings Requirements.
Headcount	The number of employees, specifically excluding contract workers, in service as at 31 March 2023.
Healthtech	Health technology involves the design, development, creation, use and maintenance of information systems and the internet for the healthcare industry. Automated and interoperable healthcare information systems are expected to lower costs, improve efficiency and reduce error while providing better consumer care and service.
HEPS	Headline earnings per share
HR	Human resources
IAPP	International Association of Privacy Professionals
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council
IMF	International Monetary Fund
Internal rate of return (IRR)	IRR is presented in this report for illustrative purposes only and is calculated based on the estimated valuations of our internet investments. The estimated valuations are calculated as of 31 March 2022 using a combination of: (i) prevailing share prices for stakes in listed assets; (ii) valuation estimates derived from the average of sell-side analysts currently covering Naspers for stakes in unlisted assets; and (iii) post-money valuations on transactions of these assets or from similar recent transactions for stakes in unlisted assets where analyst consensus is not available. In respect of (ii) above, we do not endorse, and did not participate in, or provide any information for purposes of the preparation of the market valuations calculated by third-party analysts. These valuation estimates have not been confirmed by an independent third-party expert, such as an accounting firm or an investment bank. Accordingly, these valuation estimates may not reflect past, present or future fair values, or any potentially achievable fair value in the future and no reliance can be placed on these valuation estimates.
Investment or investee	An entity over which we don't have significant influence, being the power to participate in the financial and operating policy decisions of the entity. Generally an entity in which we have an interest of less than 20%.
IP	Intellectual property
IPO	Initial public offering
IR	Investor relations
IRR	Internal rate of return
ISE	Irish Stock Exchange
ISP	Internet service provider
JSE	JSE Limited (Johannesburg stock exchange)
JV	Joint venture
K-12	Kindergarten to grade 12
KPI	Key performance indicator
kWh	Kilowatt per hour



Term/Acronym	Description
LatAm	Latin America
LGPD	General Personal Data Protection Law (Brazil)
LIFE	Leadership in the food-delivery ecosystem
LTI	Long-term incentive
m	Million
M&A	Mergers and acquisitions
MAU	Monthly active users
MCSI index	Morgan Stanley Capital International index
MENA	Middle East and North Africa region
MIH B.V.	Myriad International Holdings B.V.
ML	Machine learning
Monthly active learners	Total number of employees who participated in a learning module on MyAcademy.
MyAcademy	MyAcademy is the learning platform offered to employees.
N	Naira - Nigerian currency
NASDAQ	American stock market
Naspers	Naspers Limited
Naspers AI community	The community of persons interested in and exploring AI in the portfolio companies.
NGO	Non-governmental organisation
NPS	Net promoter score
OECD	Organisation for Economic Co-operation and Development (Brazil)
Omnichannel	A cross-channel content strategy that organisations use to improve their user experience.
Opex	Operating expenditure
OTT	Over-the-top
1p	First party - in the context of food delivery, a capital-intensive own-delivery model.
3p	Third party - in the context of food delivery, a capital-light marketplace model where meals are delivered by restaurants.
P2P	Peer-to-peer
Pentests	A simulated cyber-attack against systems used in the portfolio companies to check for exploitable vulnerabilities.
PLN	Polish zloty
PlusOne	A digital assistant chatbot that runs in the groupwide Slack channels.
POPIA	Protection of Personal Information Act (South Africa)
Portfolio companies	Subsidiaries, excluding corporate.
Prosus	Prosus N.V.
Prosus FLIGHT	Funding and Learning Initiative for Girls in Higher Education and Skills Training
PSP	Payment service provider
PwC	PricewaterhouseCoopers Inc.

Term/Acronym	Description
RCF	Revolving credit facility
Red team exercises	An exercise, reflecting real-world conditions, to compromise organisational missions and/or business processes to provide an assessment of the security capability of the system used by the portfolio company.
RMB	Chinese renminbi
ROI	Return on investment
RSU	Restricted stock unit
RUB	Russian rouble
R (or ZAR)	South African rand
SA	South Africa
SaaS	Software as a Service
SAR(s)	Share appreciation right(s)
SASB	Sustainability Accounting Standards Board
SAST	South African standard time
SBTi	Science-based Targets initiative
Scope 1 emissions	Scope 1 emissions are direct GHG emissions that arise from sources which organisations own or control. In order to determine control, the group will recognise emissions from owned and controlled assets as direct emissions.
Scope 2 emissions	Scope 2 emissions are indirect GHG emissions that organisations report from the generation of purchased electricity that is consumed for operations owned or controlled. The group will account for electricity purchased for both owned and rented buildings under scope 2.
Scope 3 emissions	Category 1 This category includes all upstream emissions from production of products purchased or acquired by the reporting company in the reporting year. Products include both goods (tangible products) and services (intangible products). Category 6 This category includes GHG emissions from the transportation of employees for business-related activities through air travel. Business travel includes only corporate office data and excludes all subsidiaries.
SDG	United Nation's Sustainable Development Goal
SICA	Prosus Social Impact Challenge for Accessibility
SME	Small and medium-sized enterprise
SMME(s)	Small, medium and macroenterprise(s)
SO(s)	Share option(s)
Speak up policy	Policy that encourages and provides channels for individuals to report actual, or potential, breaches of the code of ethics, and other group policies or laws and regulations.
STI	Short-term incentive
Subsidiary	An entity that we control evidenced by: 1. owning more than one half of the voting rights; 2. the right to govern the financial and operating policies of the entity under a statute or an agreement; 3. the right to appoint or remove the majority of the members of the board of directors; or 4. the right to cast the majority of votes at a meeting of the board of directors.
Supply chain	The network of all the individuals, organisations, resources, activities and technology involved in the creation and sale of products and services.



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Term/Acronym	Description
TAM	Total addressable market
TCFD	Task Force on Climate-related Financial Disclosures
tCO <sub>2</sub> e	Tonnes of CO <sub>2</sub> equivalent
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 (ie those that link a merchant's website to its processing network and enable merchants to accept credit or debit card online payments).
TPV	Total payment value
Trading profit/ loss	Trading profit/loss represents operating profit/loss, as adjusted to exclude: (i) amortisation of intangible assets recognised in business combinations and acquisitions, as these expenses are not considered operational in nature; (ii) retention option expenses linked to business combinations; (iii) other losses/gains – net, which includes dividends received from investments, profits and losses on sale of assets, fair value adjustments of financial instruments, impairment losses, compensation received from third parties for property, plant and equipment impaired, lost or stolen, and gains or losses on settlement of liabilities; (iv) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and (v) subsequent fair value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants).
TSR	Total shareholder return
UAE	United Arab Emirates
UK	United Kingdom
UN	United Nations
UNEP	United Nations Environment Programme
Unicorns	Start-up companies rapidly reaching a valuation of US\$1bn.
US	United States of America
US\$	US dollar
US\$c	US dollar cent
VAS	Value-added services
VC	Venture capital
WHO	World Health Organization
YoY	Year on year
ZAR (or R)	South African rand