



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 Prosus NAV discount had reduced by 16 percentage points from 54% to 38%, creating over US\$16bn 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 board recommends that, in total, shareholders receive a distribution (in the form of a capital repayment for holders of ordinary shares N and a dividend for holders of ordinary shares B and ordinary shares A1) of approximately €175m, which currently represents an increase of approximately 7% for free-float shareholders. Holders of ordinary shares B and ordinary shares A1 will receive an amount per share equal to their economic entitlement as set out in the articles

of association. Furthermore, the board recommends that those holders of ordinary shares N as at 3 November 2023 (the dividend record date) who do not wish to receive a capital repayment, can choose to receive a dividend instead. A choice for one option implies an opt-out from the other. If confirmed by shareholders at the annual general meeting on 23 August 2023, elections to receive a dividend instead of a capital repayment will need to be made by holders of ordinary shares N by 20 November 2023. More information regarding the distribution will be published in the notice of annual general meeting.

Capital repayments and dividends will be payable to shareholders recorded in our books on the dividend record date and paid on 28 November 2023. Capital repayments will be paid from qualifying share capital for Dutch tax purposes. No dividend withholding tax will be withheld on the amounts of capital reductions paid to shareholders. However, if holders of ordinary shares N rather elect to receive a dividend from retained earnings, dividends will be subject to the Dutch dividend withholding tax rate of 15%.

Dividends payable to holders of ordinary shares N who elect to receive a dividend and who hold their listed ordinary shares N through the listing of the company on the JSE will, in addition to the 15% Dutch dividend withholding tax, be subject to South African dividend tax at a rate of up to 20%. The amount of additional South African dividend tax will be calculated by deducting from the 20%, a rebate equal to the Dutch dividend tax paid in respect of the dividend (without right of recovery). Shareholders holding their listed ordinary shares N through the listing of the company on the JSE, unless exempt from paying South African dividend tax or entitled to a reduced withholding tax rate in terms of an applicable tax treaty, will be subject to a maximum of 20% South African dividend tax.

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