

Prosus posts its strongest financial performance to date

Amsterdam, 21 June - Prosus N.V. (AEX: PRX) full year results confirm revenues and trading profit at record levels in the group's entire history, as well as strong progress on strategy

- Group now serves more than 2 billion users globally
- Group revenues¹ of US\$28.8bn (up 33%); trading profit of US\$5.6bn (up 44%); core headline earnings of US\$4.9bn (up 39%)
- Ecommerce² portfolio value almost doubles in a year and hits US\$39bn³ valuation
- Classifieds segment, core payments business, and eMAG profitable
- Food segment grows revenues to US\$1.5bn (up 127%)
- Edtech segment established from 1 April 2021, already serving more than 500 million monthly users
- Ventures team continues to identify future growth opportunities, with US\$0.9bn of investments since the start of FY21

Bob van Dijk, Group CEO, Prosus and Naspers, commented:

"In a year of extreme global challenge, we have delivered our strongest results to date and accelerated growth right across our consumer internet portfolio. Our strategy to reposition the group for an increasingly online world meant we were well prepared for the acceleration of online adoption through the pandemic. I am proud of our companies and teams who have risen to the challenge of serving our customers through difficult times. Today, our businesses are fundamentally stronger than they were going into the pandemic and are very well positioned going forward. We will continue to invest and innovate to deliver the best experiences for our customers and to maximise the value we create for all of our stakeholders."

Group performance^{1 2}

Group results	FY2021	FY2020	YoY change
Revenues	US\$28.8bn	US\$21.5bn	33%
Trading profit	US\$5.6bn	US\$3.8bn	44%
Core headline earnings	US\$4.9bn	US\$3.4bn	39%
Ecommerce portfolio results			
Revenues	US\$6.2bn	US\$4.3bn	54%
Trading loss	US\$429m	US\$782m	46%

Basil Sgourdos, Group CFO, Prosus and Naspers, commented:

"We have delivered our strongest results since the listing of Naspers and subsequent listing of Prosus. Group revenues grew by 33% to US\$28.8bn, reflecting stellar accelerated revenue growth of 54% year-on-year in our Ecommerce portfolio and 28% revenue growth at Tencent. Group trading profit grew 44% to US\$5.6bn. Since the start of the year, we have invested around US\$7bn to expand our ecosystems and become even more useful to our customers. This accelerates growth across our existing portfolio and also plants the seeds of future growth. We also invested in a US\$5bn share-purchase programme of

¹ Group results are shown on an economic-interest basis (i.e., including a proportionate consolidation of the contribution from associates and joint ventures). Growth percentages are shown in local currency terms and adjusted for acquisitions and disposals.

² Prosus Ecommerce portfolio consists of all Prosus internet investments, excluding Tencent and mail.ru.

³ Independent valuation of Prosus ecommerce portfolio undertaken by Deloitte.

Naspers and Prosus stock. Post year-end, to reinforce our balance sheet, we sold a 2% stake in Tencent, reducing our holding to 28.9%. The resulting proceeds of US\$14.6bn create added financial flexibility to invest in new opportunities to sustain the strong growth and returns embedded in our Ecommerce portfolio. Since then, we have invested a further US\$2.6bn in Delivery Hero which continues to demonstrate global leadership in the nascent and fast-growing food delivery opportunity. We also recently announced a US\$1.8bn acquisition of Stack Overflow by the newly established Edtech segment, expanding the Edtech portfolio and positioning the group well to participate in a new fast growing and sizeable opportunity."

Koos Bekker, Group Chair, commented:

"Our Board is immensely proud of what our people achieved during the past year. They managed the pandemic, delivered powerful revenue growth, and lifted profitability. Foundations were laid for future growth."

Strong progress across our Ecommerce portfolio

Total Ecommerce revenues grew 54%, outpacing the strong 28% revenue growth at Tencent. The Food segment grew revenues 127% year-on-year and eMAG grew revenues 54% year-on-year. eMAG turned profitable, alongside Classifieds and our core payments businesses, which have been profitable for the past 2 and 3 years, respectively. Despite a challenging start to the year, our Classifieds and Payments & Fintech segments both reported solid results, with a sharp recovery to pre-pandemic levels by the second quarter. In the second half of the year, on the back of accelerated growth and our belief in the sector, we graduated our Edtech portfolio from the Ventures team. Edtech is now our fourth core segment, alongside Food, Classifieds, and Payments & Fintech.

We continued to invest and innovate, expanding the platforms we have built to provide broader product and service offerings to our customers. For example, offering pay and ship in our large classifieds markets, and extending our food delivery businesses into grocery and convenience delivery and other new verticals. We see huge potential to play an increasingly valuable role in people's everyday lives in this way.

For the first time, we are confirming an independent valuation of our Ecommerce portfolio of US\$39bn. This is almost double the valuation of a year ago and it has delivered an annual return in excess of 20% since 2008.

Food – iFood, Swiggy and Delivery Hero

In FY21, we capitalised on an accelerated consumer shift to online food delivery, achieving 70% growth in gross merchandise value (GMV) and 127% growth in revenues to US\$1,486m. iFood, majority owned by Prosus, grew revenues more than 200% year-on-year.

Despite the operational challenges of the pandemic, we achieved rapid growth outside of India, with our businesses gaining scale through the year. In India, where the COVID-19 impact has been significant, Swiggy worked hard to navigate the challenging operating environment and recovered to pre-pandemic levels by December 2020. More recently in India, people and communities have faced significant challenges and at a group level we are making further contributions to the country's response to COVID-19.

On the back of scaled food delivery platforms, iFood, Swiggy and Delivery Hero are innovating to build a broader on-demand delivery ecosystem, going beyond restaurant delivery to grocery and convenience delivery and increased logistics capabilities. We believe that food represents a significant growth opportunity that is still in its early stages.

Payments & Fintech - PayU

Our Payments & Fintech segment reported strong financial results for the year. Total Payment Value (TPV) increased 51% to US\$55bn, supported by a 38% increase in the number of transactions. Our core payments service provider business was profitable for the third year running.

Our Global Payments Operations division, mainly in Europe and Latin America, accelerated growth, increasing total transaction value by 51% year-on-year. In India, PayU's biggest market, TPV grew 42% to US\$27bn. Rapid diversification into financial services, education and bill payments offset the significant decline in travel and hospitality.

Classifieds – OLX Group

OLX Group operates some of the world's best classifieds businesses, with many now operating at scale and continuing to grow well ahead of global peers. Innovation is at the heart of our growth strategy and we continued to expand the products and services that our classifieds platforms offer to our customers.

Classifieds was our most affected business at the start of the pandemic, with reduced demand for large purchases and lockdown restrictions limiting physical transactions. The team responded quickly, developing digital alternatives to help buyers and sellers continue to trade. For example, offering virtual inspections in our autos business, assisting businesses to move from offline to online, and extending financial assistance to business customers.

OLX Group became profitable overall in 2020 and remained so this year, despite the initial challenges of the pandemic and continued investment in products and services to drive long-term growth. Average monthly users reached 322m by year end, compared to 300m the previous year. Revenues grew 18% to US\$1.6bn, with 36% growth in the second half. In Russia, Avito invested to improve its market position and delivered a standout performance. Its revenues grew by 20% to US\$415m and its trading margins remained strong at 40%.

Education technology

Prosus was an early investor in edtech. More than five years ago, our Ventures team identified edtech as a significant opportunity. The size and growth of the sector, combined with falling technology costs and rising education costs, provide great potential for innovation and disruption at scale. Since 2016, we have built a world-class, global portfolio of edtech companies spanning primary, secondary, vocational and lifelong learning.

During the year, we stepped up our edtech exposure, announcing an investment in Eruditus and also our investment in Skillsoft via a special purpose acquisition company. Post year end, we announced an agreement to acquire Stack Overflow and a majority stake in GoodHabitZ – when combined with our existing portfolio, we will reach 90% of the Fortune 100 companies and be set to build the future of workplace learning.

After just five years of investment, we will reach well in excess of 500m learners every month in this rapidly growing sector and we see exciting opportunities to deepen their learning experience over time.

Positively impacting the world

The past year has brought increased focus on the important role companies must play in society. As a group whose companies and associates now deliver products and services that improve everyday life for more than 2 billion users, we are well aware of the impact we can have on the world.

During the pandemic, our companies and associates have actively worked to protect and support our teams, partners, customers and the local communities we serve. In many instances, they have been a lifeline for customers, providing online solutions when lockdowns and social distancing limited access to everyday needs, such as education, food and vital supplies. They have also worked with local governments to support their response to COVID-19, and no employees were furloughed, even when there was no work for them due to the pandemic. At a group level, we quickly made meaningful contributions to the Indian and South African governments to help their response to COVID-19. We are proud of the efforts of all of our companies and associates to help those in need through challenging times.

Sustainability has always been at the core of who we are, what we do and who we partner with. Going forward, we are extending our commitment to sustainability through a greater focus on the material topics that have been highlighted by our stakeholders, so we can have a progressively greater positive impact. We have taken a first but significant step by becoming carbon neutral both at a group level and across our majority owned businesses through offsetting emissions by investing in carbon reduction projects. Through our corporate social responsibility projects, such as the Prosus social impact challenge for accessibility (SICA) programme in India, we support the use of technology to solve social challenges.

For full details of the group's results, please visit www.prosus.com.

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About Prosus

Prosus is a global consumer internet group and one of the largest technology investors in the world. Operating and investing globally in markets with long-term growth potential, Prosus builds leading consumer internet companies that empower people and enrich communities.

The group is focused on building meaningful businesses in the online classifieds, food delivery, payments and fintech, and education technology sectors in markets including India, Russia, and Brazil. Through its ventures team, Prosus invests in areas including health, logistics, blockchain, and social commerce. Prosus actively seeks new opportunities to partner with exceptional entrepreneurs who are using technology to improve people's everyday lives.

Every day, millions of people use the products and services of companies that Prosus has invested in, acquired or built, including **99minutos, Avito, Brainly, BUX, BYJU'S, Bykea, Codecademy, DappRadar, DeHaat, dott, ElasticRun, eMAG, Eruditus, Flink, GoodHabitZ, Honor, iFood, Klar, LazyPay, letgo, Meesho, Movile, Oda, OLX, PayU, Quick Ride, Red Dot Payment, Remitly, Republic, Shipper, SimilarWeb, Skillsoft, SoloLearn, Swiggy, Udemy, Urban Company** and **Wolt**.

Hundreds of millions of people have made the platforms of Prosus's associates a part of their daily lives. For listed companies where we have an interest, please see: **Tencent, Mail.ru, Trip.com Group Limited**, and **DeliveryHero**.

Today, Prosus companies and associates help improve the lives of more than 2 billion users globally.

Prosus has a primary listing on Euronext Amsterdam (AEX:PRX) and secondary listings on the Johannesburg Stock Exchange (XJSE:PRX) and a2X Markets (PRX.AJ). Prosus is majority-owned by Naspers.

For more information, please visit www.prosus.com.