Food Delivery[1]

Operational performance

iFood · Delivery Hero · SWIGGY

Key statistics

Revenue
US$4.9bn
(FY23: US$4.2bn)
(16% YoY growth US$661m)
(19% YoY growth in local currency, excluding M&A)

Number of **employees**
5 215

Trading **loss**
US$158m
(FY23: US$649m)
(3% trading profit margin)

Adjusted **EBITDA**
-US$35m
(FY23: -US$545m)
(-1% EBITDA margin)

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

- Unfavourable economic conditions
- Regulatory changes
- Cyber-resilience
- Increased competition.

Value drivers

- Increase order frequency through loyalty
- Expansion to mass market
- Organically grow monthly unique buyers
- Additional adjacencies (grocery delivery, logistics services, fintech (restaurant financial solutions and meal vouchers and etail)
- AI and data science
- Managing costs and delivering efficiencies.

1 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. Segment 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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Expanding the food opportunity

The Food Delivery segment has built its portfolio around online food-delivery platforms such as iFood, Swiggy and Delivery Hero that serve a large and growing market. iFood is Prosus' only consolidated food-delivery business. In addition, Prosus has several associates, most notably Delivery Hero and Swiggy. Globally, this market is expected to grow revenue from US$122bn in 2023 to US$171bn in 2027[2].

These platforms offer consumers fast delivery of high-quality food at affordable prices, either through their own drivers (first-party or 1p) or through drivers employed by restaurants (third-party or 3p). Both the 1p and 3p business models have proven profitable, with all three businesses recording profitability in their core food-delivery operations.

In addition to operating successful core businesses, our food-delivery platforms have extended into new business lines by leveraging their large customer bases, deep relationships with restaurants and delivery capabilities. One of the most natural business extensions is online grocery delivery. Adding grocery sales to food delivery expands the global total addressable market (TAM) in 2027 from US$171bn to US$250bn[1].

Although seemingly small today, the online food-delivery portion will continue expanding on the back of several tailwinds, including rising smartphone penetration, urbanisation, increasing disposable incomes, and the shift to outsourcing everyday services. Over time, we believe our food-delivery platforms have the potential to extend their offering even further and provide on-demand etail to consumers and logistics services to merchants.

As in FY23, our focus and strategy in FY24 centred on improving profitability. To expand the TAM while increasing profitability, our platforms continued to strategically pursue adjacencies to foster growth. As a result, the segment's trading losses improved from US$649m in FY23 to US$158m in FY24 on an economic-interest basis. We are confident that our food businesses will be significantly profitable and continue to offer long-term growth.

2 Numbers refer to online revenue total addressable markets (TAMs), assuming 17.5% and 15% take rate for online food delivery and online grocery delivery respectively; online food-delivery TAM includes orders from prepaid online restaurant reservations; all numbers rounded.
Source: Euromonitor, Prosus analyses.

Building a global leader in food delivery

A leading position in **55** markets

Covering **>70** countries

>US$9bn invested

Source: Company information – based on direct investments: Delivery Hero (54 markets), iFood (Brazil).

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

Economic-interest revenue for the Food Delivery segment grew by 16% (19%) to US$4.9bn, with trading losses reducing US$491m (US$466m) to US$158m.

iFood

iFood delivered a strong performance in FY24, accelerating sales at its core food-delivery business in the second half of the year.

iFood grew its gross merchandise value (GMV) by 20% in local currency, excluding M&A (in line with FY23), with 2H24 growth 10 percentage points higher than 1H24. Order growth remained strong (+18%), 4 percentage points ahead of 1H24 growth of 14%. iFood recorded nearly 56 million active users annually (over 22 million monthly unique buyers) who connect to over 350 000 merchants and 313 000 drivers operating in more than 1 530 cities in Brazil.

Revenue grew 22% in local currency excluding M&A to US$1.2bn, driven by strong performance from its core business. iFood grew trading profit 248% (249%) to US$96m, led by the core food-delivery business which grew by US$137m in local currency, excluding M&A. Improved trading profit was largely due to gross profit margin expansion on the back of more efficient marketing investment and increased cost control. iFood Pago* grew its credit portfolio by 62% YoY, with over US$110m in assets under management by March 2024. This conservatively managed credit portfolio is funded largely by debt secured from external participants and offered to restaurants based on a credit-scoring model.

* iFood Pago refers to meal voucher (B2C) and credit (B2B) businesses.

Food Delivery

The core food-delivery business grew revenue 24% to US$1 089m in local currency, excluding M&A. GMV grew by 23%, an acceleration of 5 percentage points from 1H24, driven by increased order volume (21%) and higher average order value (3%). This growth was supported by several initiatives including Clube and AnotaAI. In March 2024, 41% of core business orders originated from these initiatives. Clube is a loyalty membership programme with over 5 million subscribers by the end of March 2024, and increases user frequency and retention by offering personalised deals. AnotaAI is a chatbot designed to facilitate restaurants' sales through WhatsApp.

Revenue from extensions[3] grew by 25% without incorporating the effect of converting dark stores to a marketplace model grocery business. Including that effect, on an as-reported basis, extensions only grew 3% or US$4m in local currency, excluding M&A. Overall grocery marketplace GMV grew 18% during the year; in 2H24 growth accelerated to 35%, 33 percentage points ahead of 1H24 growth. Extensions trading losses reduced by US$15m to US$164m in local currency, excluding M&A.

iFood's strategy remains building on its ecosystem elements and assets to deliver differential products and services to its customers. Beyond scaling its grocery-delivery business, iFood is building a fintech environment around its platform to expand its goods and services, including meal vouchers and credit for restaurant partners.

In pursuing this strategy, iFood is harnessing the power of AI through several projects across its businesses:

- Streamlining order prioritisation, delivery-partner dispatching and routing in logistics
- Improving user experience in the app, including personalised recommendations
- Reduced costs by focusing on AI-driven models for fraud detection
- Modelling credits scores assertively.

3 *Extensions refer to grocery, meal voucher, credit business and corporate costs, including share-based compensation.*

Four-year snapshot of growth: 2020 to 2024

Trading loss improved to trading profit of **US$96m**

Total orders for Brazil for FY24 **>980 million**

As the most-loved brand in Brazil for the second year, 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 in the sustainability review.

More than **1 530** Brazilian cities covered

Around **97 million** orders in March 2024, including restaurant and grocery

35% own-delivery orders
>350 000 merchant partners

18% iFood order growth

Swiggy

Swiggy's revenue on a local reporting basis grew 24% in local currency, excluding M&A. In its tenth year of operations, Swiggy's GOV[4] grew 26% YoY[5], and its ever-transacted user base reached the milestone of 104 million at the end of December 2023; supported by a fleet of around 387 000 active delivery partners. Prosus held 32.6%* of Swiggy at the end of the reporting period.

Swiggy's core food-delivery business, GOV, grew by double digits on healthy order growth and higher average order value.

Operating leverage improved as the business added revenue streams like restaurant advertising and introduced nominal platform fees which supported improved operational profitability.

The quick-commerce business, GOV, grew much ahead of the ecommerce industry, led by geographical penetration (now 487 active dark stores across 26 cities) and stock-keeping unit (SKU) expansion (over 9 500 unique items now listed on the platform). Unit economics continued to improve as a result of larger basket sizes, expanded user base and improved operational efficiency.

Swiggy has confidentially filed a pre-draft red herring prospectus (DRHP) with India's market regulator, Securities and Exchange Board, and the stock exchanges on 26 April 2024, in relation to the proposed initial public offering of its equity shares.

4 *GOV stands for gross order value, previously referred to as GMV.*
5 *Year in Swiggy section refers to January – December 2023.*
* *Outstanding shareholding, excluding ESOPs.*

Delivery Hero

Delivery Hero grew GMV 6% for the year ended 31 December 2023 and revenue grew 16% to €9.9bn, both in constant currency. Delivery Hero reported adjusted EBITDA of €254m for FY23 (from -€467m in FY22) and provided the following guidance for FY24: a positive adjusted EBITDA between €725m and €775m, and positive free cash flow. Prosus held 29.3% of Delivery Hero at the end of the reporting period.

More information on Delivery Hero is available at ir.deliveryhero.com.

Looking forward

iFood, Swiggy and Delivery Hero – our core food-delivery assets – are leading businesses in their regions with plenty of room to grow profitably, 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, as well as 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[1]

Operational performance

OLX

Key statistics

Revenue
US$951m
(FY23: US$755m)
(26% YoY growth US$196m)
(19% YoY growth in local currency, excluding M&A)

Number of **employees**
2 811

Trading profit
-US$187m
(FY23: US$47m)
(20% trading profit margin)

Adjusted **EBITDA**
-US$211m
(FY23: US$74m)
(22% EBITDA margin)

Stakeholder material matters

Employees
- Job security, career development, and competitive benefits.

Customers
- Trust, safety and convenience.

Risks

- Disruptive technology such as AI and GenAI
- Legislative changes derived from stricter enforcement of consumer protection laws and competition regulations
- Geopolitical risks from the conflict in Ukraine
- Macroeconomic uncertainty.

Strategic focus

- Investments in AI and ML
- Differentiating through category-specific user experience and services
- 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
- Enabling faster innovation through technology and data.

Value drivers

- Continuous improvement of toolkit for professional listers across motors and real estate categories to improve the visibility and effectiveness of their listings
- Tech unification programmes enhancing agility, innovation capabilities and go-to-market speed
- Extension of pay-and-ship to more categories and expanded shipping options to improve conversion.

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Profitable growth and scaling new capabilities

The OLX classifieds business continued to accelerate growth, margin expansion and cash flow generation.

Classifieds consolidated revenue grew 36% (27%) to US$707m. The strong performance was mainly driven by OLX Europe, where the motors category grew 45% across both horizontal and vertical platforms, and OLX Ukraine's marketplace activities recovered to pre-conflict levels. Additionally, pay-and-ship revenue grew 73% (69%) to US$45m, driven by improved monetisation and product optimisation. Despite the impact of high interest rates on property transactions across our markets, the real estate category experienced growth, with a solid 25% increase in revenue, reaching US$96m. South Africa continued to grow both its vertical platforms and sustained its profitability, delivering revenue of US$46m for the year.

Trading profit more than tripled to US$172m from US$56m, with margins expanding sharply to 24% from the previous year's 11%. This improvement was driven by strong revenue growth, balanced investment and optimisations across technology hubs to leverage costs through scale. Additionally, the business restructured headcount to streamline operations and optimise resource allocation.

As noted, we exited OLX Autos, our automobile transaction business, by selling businesses during the year in India, Indonesia, Chile and Turkey, and closing operations in Mexico, Colombia and Argentina. We continue to explore options for our WeBuyAnyCar business in the US.

After a successful year, we are optimistic about the future business opportunities and plans of OLX. We expect the strong value proposition of its platforms to continue to drive further profitable growth and cash generation.

On an economic-interest basis, Classifieds grew revenue by 26% (19%) to US$951m and more than tripled trading profits to US$187m, from US$47m.

OLX Europe

Building an ecosystem

OLX Europe is a leading classifieds ecosystem, operating online marketplaces in eight countries in Europe and Central Asia with 11 brands. It attracts over 14 million daily active users and exposes them to 62 million daily active listings on average.

The OLX vision is to build leading marketplace ecosystems, enabled by tech, powered by trust and loved by customers. Core to achieving this vision is facilitating the easiest access to great deals for buyers and providing the best liquidity for sellers in multiple ways:

- Under the OLX brand, we operate horizontal marketplaces for a broad range of categories, catering to both private and professional sellers
- Specialised verticals in motors and real estate offer richer experiences that target predominantly professional sellers, including car dealers and real estate agents
- OLX also manages smaller marketplaces such as Fixly for home repairs, Carsmile for car subscriptions, and Obido for new developments in real estate.

In combination, these horizontal and vertical marketplaces operate as a strong traffic and inventory-sharing ecosystem. The horizontals are the main traffic drivers, with the goods category (including pay-and-ship) attracting the most users – 1.8 million out of 4.7 million daily active users in Poland, for example. The motors and real estate verticals serve as sources of high-quality inventory for OLX.

To illustrate, 4.4 million listings are cross-listed from Otomoto to OLX in Poland, while OLX generates 23% of Otomoto's traffic with a 1.9x higher conversion than the latter's native traffic. The verticals are also our key monetisation engine with ARPU (average revenue per user) >4x higher than for our horizontals.

Performance

OLX Europe forms the bulk of the OLX Group and delivered another strong performance in the review period, with sustained growth and improved profitability. It is well placed for further growth and margin expansion and will remain a key focus for Classifieds.

OLX Europe is evolving from traditional classifieds to transactions and adjacent services to expand along the value chain. In addition, we are building central platform capabilities that serve our categories in a scalable manner:

- In goods, we facilitate over 2.5 million pay-and-ship transactions per month on average
- In jobs, we offer adjacent services including a candidates database for employers and transactions in the form of an 'apply' button for job seekers
- In services, we are enhancing our online booking functionality with a calendar showing the service provider's availability
- In motors, we are providing transparency beyond traditional classifieds by offering car history reports, inspection services and dealer ratings
- In motors, we also expanded to car loans to provide a one-stop-shop for buyers
- In real estate, we offer tenant verification, virtual tours, mortgage brokerage and data services for agents and developers.

Classifieds

Trust and safety remains 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 progress in complying with the Digital Services Act regulation that became effective in Europe in February 2024. The aim here is to create a safer digital space where the fundamental rights of users are protected and to establish a level playing field for businesses. Our investments in AI and GenAI are improving trust and safety significantly.

OLX Brasil

OLX Brasil, our 50% joint venture with Adevinta, is navigating a weak macroeconomic environment and focusing on cost optimisation, mainly through headcount restructuring. Revenue and trading profit increased 1% and 79%, to BRL887m and BRL243m, respectively. Our local management team is committed to reinvigorating growth in this very important ecommerce market with balanced investments.

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 team has 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. Revenue has recovered similarly, growing 88% YoY and delivering positive trading profits.

Our ESG priorities

The OLX Group and its users contribute to building a more sustainable world through trade. In FY24, OLX invested in developing an ESG strategy to fulfil its purpose, and comply with upcoming EU ESG regulations.

As part of our ESG strategy, we focused on promoting thought leadership in the circular economy, particularly in our largest market, Poland. We launched a campaign involving various stakeholders to discuss the benefits of recommerce and secondhand trading. OLX actively participates in the Ellen MacArthur Foundation, the largest global circular economy NGO, and the Coalition of Marketplaces Europe to advocate for circular economy and reuse in the EU sustainability agenda.

In the year ahead, we will expand our thought-leadership programme by releasing the fourth edition of our annual circular impact report **www.olxgroup.com/impact/impact-report-series/**. Our operational environmental footprint is relatively small due to our low-carbon platforms and use of renewable energy in our offices and data centres. We have been measuring our scope 1, 2 and 3 emissions for the past four years and have a robust carbon-accounting process.

Our focus next year is to fully prepare for CSRD compliance and enhance our public-reporting maturity on ESG-related topics. We have conducted a gap analysis, and a roadmap towards CSRD compliance by FY26, and our double-materiality assessment will serve as the foundation for our ESG programmes from FY25 to FY27.

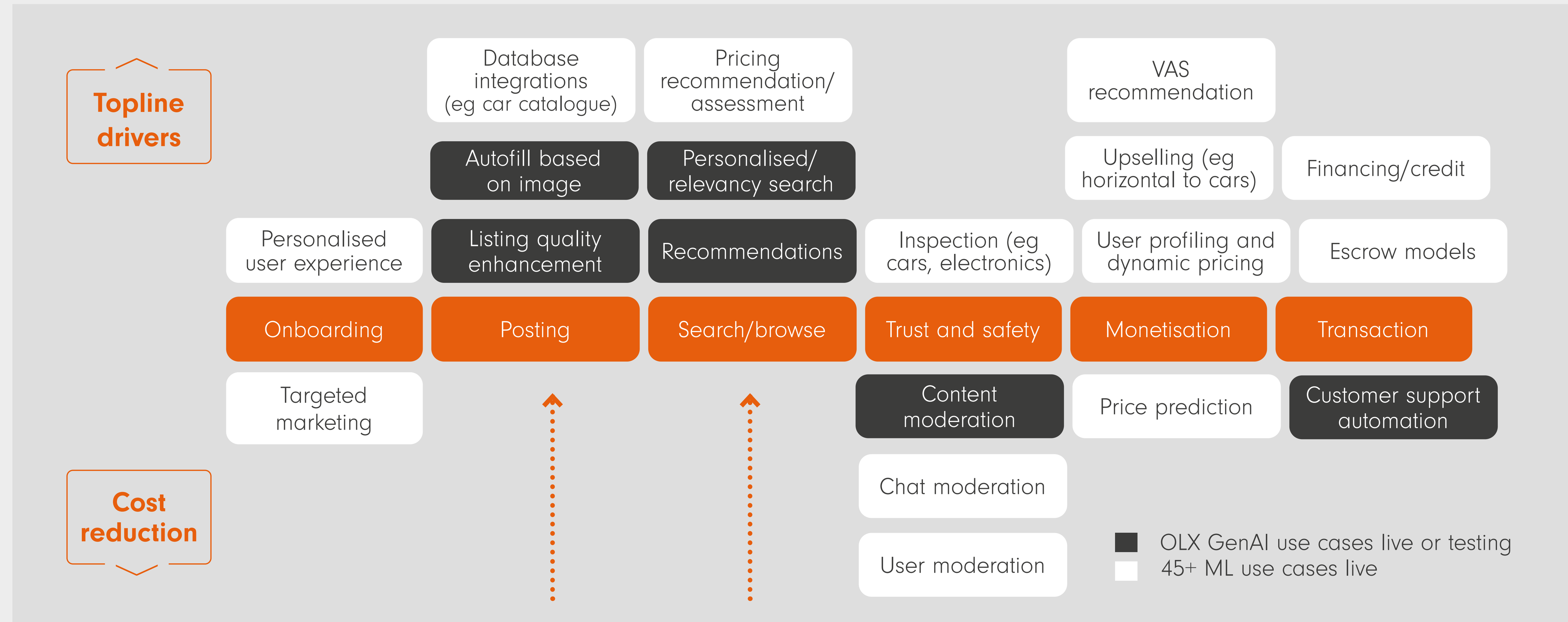
Looking forward

OLX Europe has three key strategic priorities for FY25:

- Accelerate the development of a transactional marketplace in goods, focusing on pay-and-ship development
- Increase user growth by improving search engine optimisation, customer relationship management and mobile app engagement
- Strengthen common tech-platform capabilities, particularly by developing a unified ad domain service.

Our investments in AI and ML

We created a dedicated AI team in early FY19/20 and have invested in building AI and ML capabilities for some years. We deployed more than 45 use cases across every part of the customer journey that drive topline growth and/or reduce costs, as illustrated below.



In FY24, GenAI has been a key investment area, given its potential to significantly improve the user experience in classifieds. Its immediate impact is on search, where it allows users to express their needs in natural language and fine-tune their queries for more precise results. GenAI can also assist sellers in writing better product descriptions, monitoring and detecting fraud, enhancing product photos and suggesting prices.

GenAI is particularly impactful in sectors that offer unique, personalised services, with much unstructured data such as real estate and jobs. These unstructured data categories are those where the respective goods or services are not directly replaceable and selection towards a specific desirable subset requires more work compared to a typical ecommerce experience. In real estate, GenAI can process a shopper's natural language search based on available listings and additional web information, such as home locations and local amenities. In jobs, GenAI can be highly beneficial due to the complexity of job descriptions and candidate profiles.

We have dedicated investments and a concrete roadmap for GenAI, including some major use cases:

- **Enriching job ads:** Better titles, keywords and other details (already live, resulting in better quality ads and increased conversion)
- **Trust and safety:** Using embeddings (vector descriptions of images) created by GenAI in a joined representation of image and text (already live, resulting in improved accuracy and 15% reduction to the cost of detecting bad content)
- **Improved content exploration via chat (A/B test is running). Posting flow enhancements (starting with motors):** Provide suggestions for autocompleting ad fields. The initial result in horizontals reduced the manual effort to post an ad for some categories by 40% (with the same or better quality).
- **Real estate virtual assistant chatbot:** Improved content exploration via chat. A/B test is running.

Payments and Fintech[1]

Operational performance

PayU | wibmo | LAZYPAY | PaySense

Key statistics

Revenue
US$1.3bn
(FY23: US$1.1bn)
(24% YoY growth US$253m)
(39% YoY growth in local currency, excluding M&A)

Number of **employees**
3 556

Trading **loss**
US$59m
(FY23: US$116m)
(-5% trading profit margin)

Adjusted **EBITDA**
-US$49m
(FY23: -US$108m)
(-4% EBITDA margin)

Stakeholder material matters

Employees
- Job security, career development and competitive benefits.

Consumers
- Optionality, convenience, 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 leading to slowing consumption
- Increasing volume and complexity of regulatory requirements
- Cybersecurity and fraud over the platforms
- Counterparty risks (increased credit portfolio).

Value drivers

- Diversifying revenue base in payments through value-added services
- Scaling consumer credit and diversifying into merchant lending with strong governance and risk management framework
- Driving synergies between existing business to improve revenue and optimise costs.

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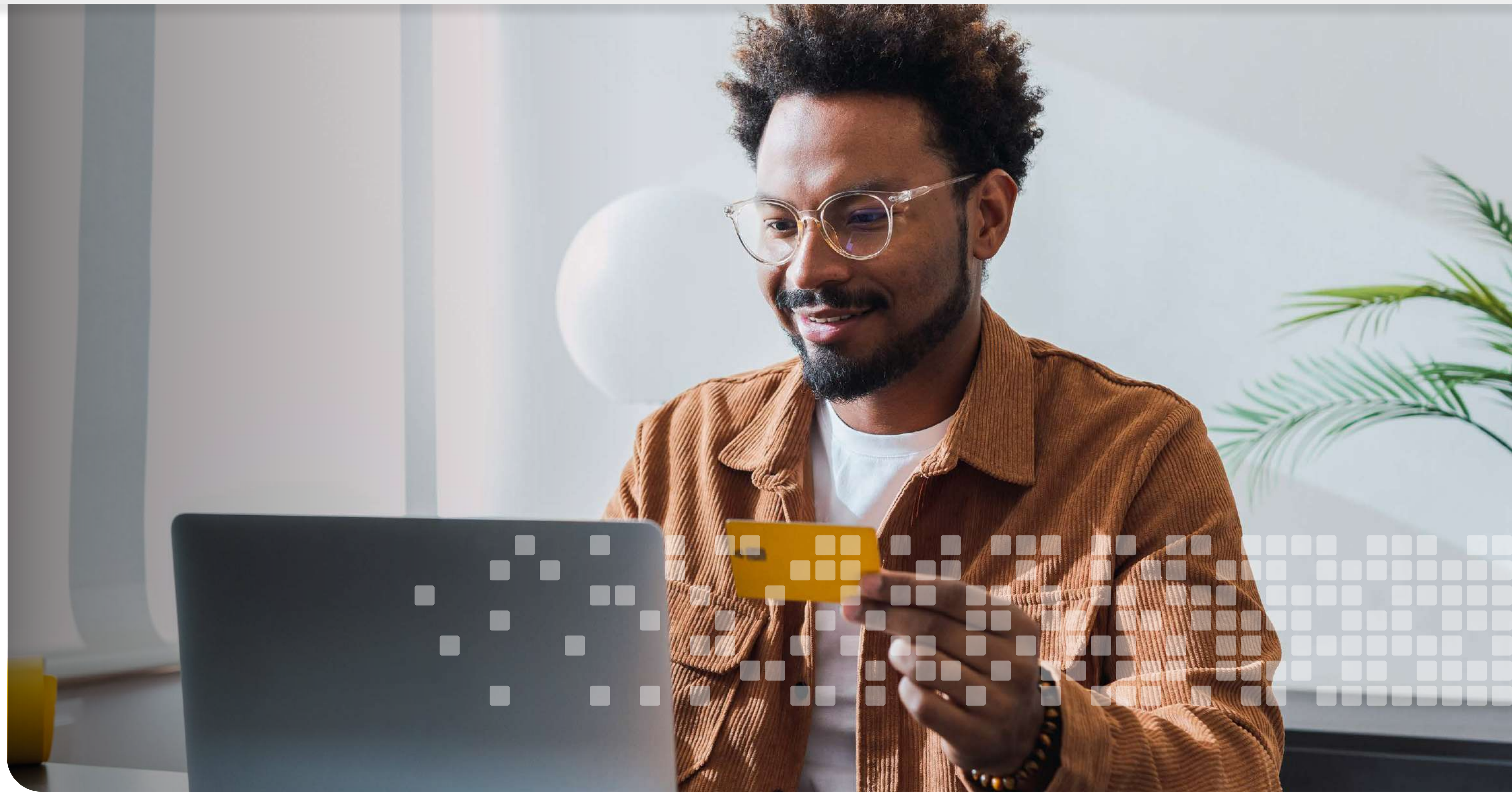
Scaling credit in India

PayU's core PSP and credit businesses delivered strong revenue and increased scale. Notably, this was achieved despite pending regulatory approvals in the Indian PSP business and new regulation impacting our Indian credit business. After an embargo of 15 months, we received in-principle authorisation by the Reserve Bank of India on 23 April to operate as a payment aggregator, allowing PayU India to onboard new merchants.

PayU grew consolidated revenue 22% (38%) to US$1.1bn in FY24, driven by the PSP businesses in Turkey (Iyzico) and India, as well as India credit. Consolidated trading losses improved by US$67m in local currency, excluding M&A, to US$31m. Profitability improvements were driven by GPO, partly relating to the once-off loss provision in FY23, closure of the loss-making digital bank offering in India and cost optimisation.

Core PSP, which accounts for 88% of the segment's revenue, primarily comprises payments operations in PayU India and PayU GPO. Core PSP grew revenue by 23% (41%) to US$975m as total payments volume (TPV) grew 22% (25%). Core PSP trading profit improved to US$19m, a margin of 2% (1 percentage point decrease excluding once-off loss provision in FY23), as GPO and Iyzico's performance was partly offset by losses in India.

India, the largest market in PayU's PSP business, accounted for 46% of core PSP revenues and 60% of TPV. India grew revenue 11% (14%) to US$444m, despite being unable to onboard new merchants due to the noted embargo during the year. Revenue growth was driven by increasing volumes from existing merchants and growing value-added services such as affordability. India grew TPV 22% (25%), ahead of revenue growth on the back of strong growth in ecommerce, financial services and government segments. While our payments business in India achieved a 3% trading profit margin in FY23, this worsened to -3% in FY24 due to the change in merchant and payment method mix (predominantly driven by the embargo).



India credit offers buy-now/pay-later (BNPL) and personal loans to consumers in India. India credit has also started a pilot to diversify its portfolio by providing loans to small and medium businesses this year. Our credit business grew revenue 29% (31%) to US$107m, despite a slowdown in loan issuances as part of a response to evaluate new regulations shared by the Reserve Bank of India. India credit widened trading losses from US$10m to US$20m, driven by continuous investment in building the merchant lending portfolio and relatively stable loss ratio[2] from 2.5% in FY23 to 3.1%. India credit issued US$873m in loans and grew its loan book to US$468m in FY24.

In August 2023, PayU announced the sale of GPO, excluding Iyzico (Turkey) and Red Dot Payments (south-east Asia), to Rapyd. The process is ongoing and expected to close in the second quarter of calendar 2024. GPO, including Iyzico and Red Dot Payments, grew revenue 36% (69%), an acceleration from FY23 to US$533m. GPO's 6% trading profit margin improved from -4% in FY23, driven by the once-off loss provision in FY23 (2% excluding once-off provision), operating leverage from enhanced scale and cost optimisation.

2 *Loss ratio – implies expected credit loss provision for loans outstanding in current bucket.*

Iyzico remained PayU's fastest-growing PSP business, with revenues growing 119% (238%) to US$186m, driven by new and existing merchants. The trading profit margin was 9%, on par with FY23, as marketing in 2H24 offset a better customer and model mix. Iyzico grew TPV 23% (85%) on an improved and expanded service offering.

Remitly, PayU's largest associate, maintained strong revenue growth of 44% to US$944m for the year ended 31 December 2023. This was driven by 38% growth in send volume as the active customer base increased from 4.2 million at the end of 2022 to 5.9 million. Increased scale and focus on improving platform economics supported Remitly's improvement to a positive adjusted EBITDA margin of 5% from -2% in 2022. Prosus held 19.8% of Remitly at the end of the reporting period.

More information on Remitly is available at ir.remitly.com.

On an economic-interest basis, the Payment and Fintech segment grew revenue by 24% (39%) to US$1 305m and trading losses improved from US$116m to US$59m.

Payments and Fintech

The opportunity

Payments and fintech remains one of the fastest-growing sectors worldwide, with rapidly evolving technology, digital innovation and increased financial inclusion accelerated by the move online post pandemic.

We identified three key trends in payments and fintech, which all play to our strengths:

- Continued acceleration of digital payments in India
- Continued strong demand for credit in India
- Regulatory changes shaping the fintech segment in India.

India is our largest market for digital payments. The country recorded an increase of 58% YoY[4] in total number of retail digital transactions in FY24, while payment volume increased 20%.

The future for digital payments in India remains positive as peer-to-merchant digital payments volume is expected to grow over US$3tn by FY30[5]; 4x FY23.

Our credit business is also poised to benefit from growing demand for credit in India. Digital personal and consumer credit is expected to grow to US$130bn by FY30; 7x FY23[5].

Strategic priorities

Supporting India's growth

In India, PayU has built a strong position in digital payments processing for merchants, building scalable technology for banks, and is rapidly scaling its credit franchise for consumers and merchants, morphing into a holistic financial service provider.

For merchants, PayU has built a diversified product suite offering value-added services beyond core payments for the different sectors. In FY24, we processed over US$71bn in total payments volume, up 22% (24%) on last 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 FY24, issuances expanded 18% and assets under management increased 83% over last year. This scale has been achieved on the back of effective capital and risk management.

PayU also started a pilot in the current fiscal to manage risk and diversify its loan portfolio by providing loans to small and medium merchants. The business also aims to leverage synergies with the existing payment aggregator business to enhance revenue.

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.

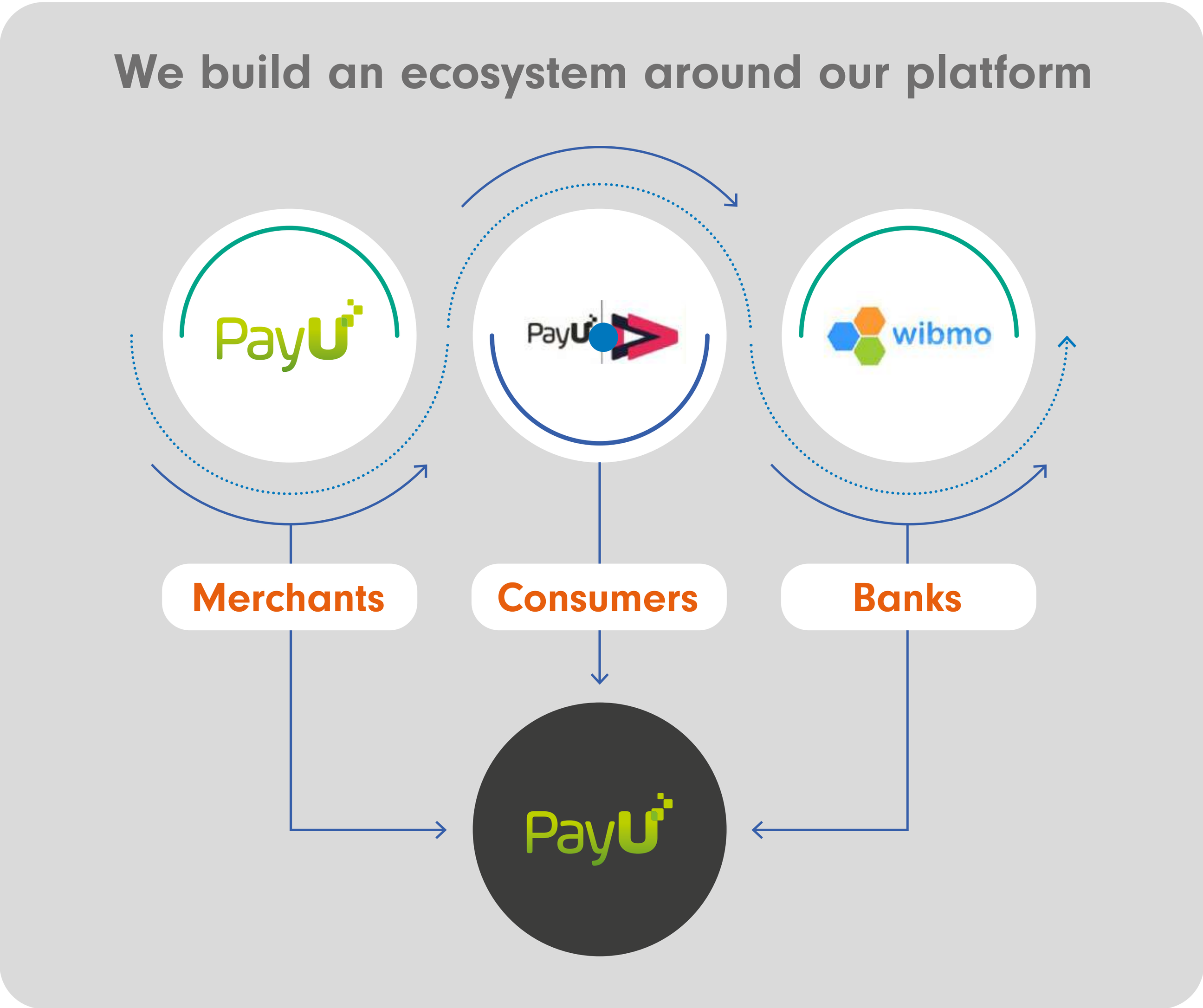
Focus on profitable growth in core payments and credit

The business processed US$119bn in payments volume in FY24. It has continued investing and building new opportunities such as credit in India. The credit business revenue has grown 12x since FY21, translating into a revenue CAGR of over 128%. This growth has been coupled with cost reductions, ensuring that the trading-loss margin continued to improve YoY.

Our sustainability priorities

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 FY24, we are building momentum to drive broader societal impact in the new year and beyond. In FY24, PayU India strengthened the board by appointing independent directors. The new PayU payments board will comprise 10 directors: five independent directors, three non-independent non-executive directors and two executive directors. The independent directors come with vast experience in the fields of business, finance, regulatory, technology, people and will help PayU scale into its next phase of growth.

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-focused 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 emphasise India. With the in-principal authorisation by Reserve Bank of India to operate as a payment aggregator and on-board new merchants, India is expected to demonstrate strong growth in payments. The credit business is also likely to benefit from increasing demand for credit in India. PayU is well placed to benefit from this growth by maintaining its market position and improving profitability.

The formation of an ESG subcommittee reinforces the importance of responsible business practices, developing and maintaining global disclosure standards. Led by the diversity and inclusion council, PayU is committed to fostering an environment where every employee feels they belong, are listened to and empowered to speak up.

4 Source: RBI Payment system indicators. Retail transactions, excluding cheque-based. As of March 2024.
5 Source: Bain e-Conomy India 2023 Report.

Edtech[1]

Operational performance

Workforce/higher education

stackoverflow, goodhabitz, skillsoft, ERUDITUS, Platzi, eduMe, sololearn

K–12 education

BRAINLY, GoStudent

Key statistics

Revenue
US$444m
(FY23: -US$545m)
(19% decline in revenue US$101m)
(7% YoY growth in local currency, excluding M&A)

Number of **employees**
677

Trading **loss**
US$80m
(FY23: -US$258m)
(-18% trading profit margin)

Adjusted **EBITDA**
-US$68m
(FY23: -US$239m)
(-15% EBITDA margin)

Stakeholder material matters

Employees
- Talent retention. Employee wellbeing. Company culture.

Regulators
- Timely reporting.

Investee/portfolio companies and associates[2]
- ESG. Business performance. Efficient growth.

Workers, learners, educators
- Data privacy. Community development.

Strategic focus

- Workforce/higher education models
- K–12 education
- US/India
- AI advancements and AI-driven opportunities in the sector.

Value drivers

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

Risks

- Macroeconomic downturn and higher interest rates
- New forms of competition for existing edtech providers
- Disruption from enhancements and increased availability and functionalities of GenAI
- Limitations in software development, research and product capabilities
- Education is a highly regulated sector, and non-compliance can lead to penalties.

1 *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. Segment 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.*

2 ***Associates:*** *Prosus holds 10-50% with a board seat, meaning it has significant influence.*

SDG 9 SDG 17

Transforming education through technology

In the Edtech segment, the broad adoption of GenAI tools and challenging macroeconomic conditions have affected our businesses, particularly Stack Overflow. Revenue growth has been more modest than anticipated, and we have taken action to improve trading profit and free cash flow performance given this revenue base.

The consolidated Edtech businesses grew revenue 10% (9%) to US$148m while trading losses decreased by US$33m to US$98m.

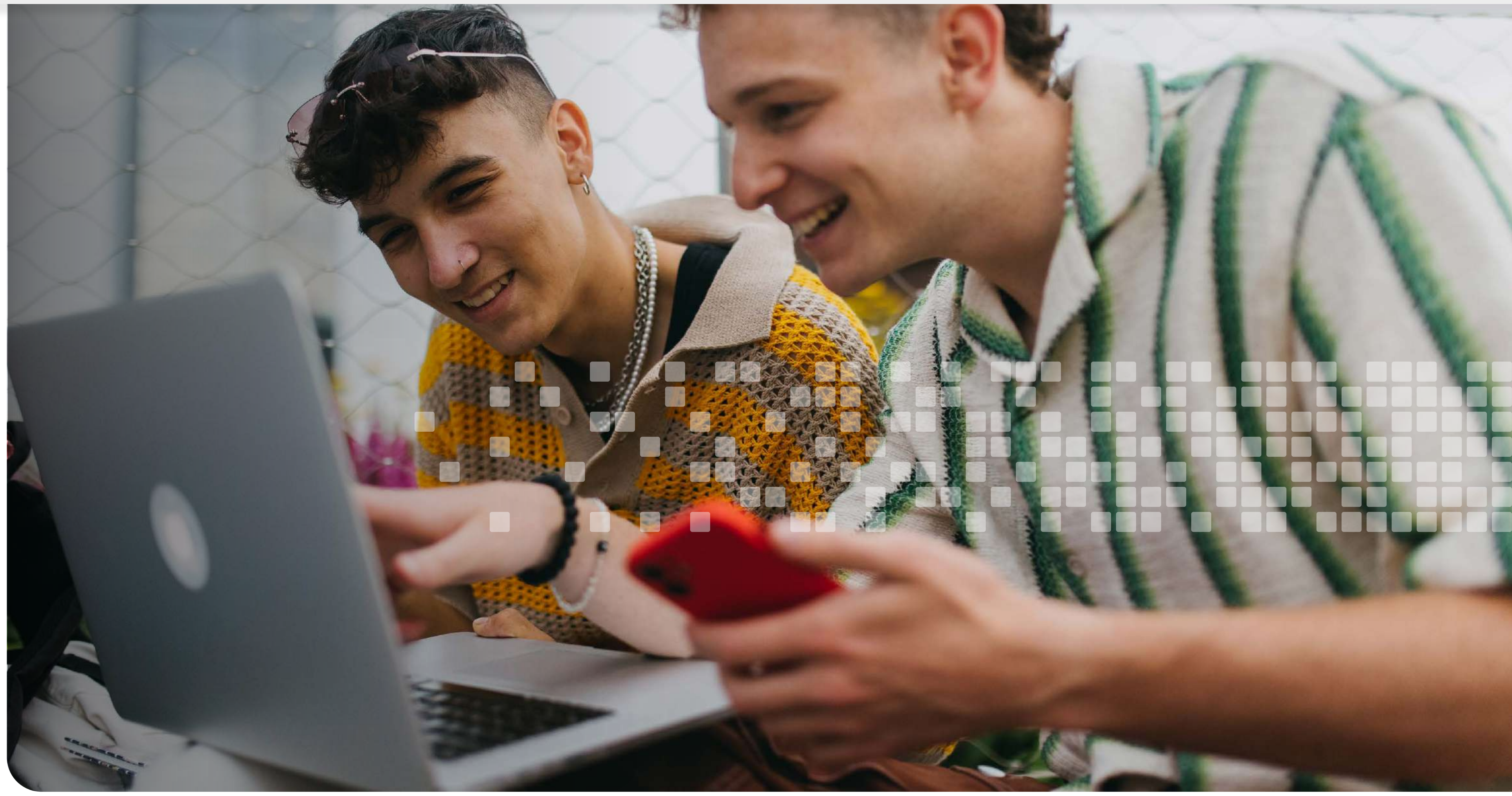
On an economic-interest basis, Edtech segment revenues grew 7% in local currency, excluding M&A, to US$444m and trading losses reduced by US$67m to -US$80m.

The opportunity

Education accounts for 6% of global GDP. It is anticipated there will be 2 billion new learners by 2030, fuelled by:

- The surge in the youth demographic in emerging markets like India and Brazil
- A global commitment to elevate educational benchmarks
- The urgent need to reconcile workforce competencies with the evolving prerequisites of a digital-centric economy.

At the same time, supply is contracting, driven by a teacher shortage and affordability gap, particularly in emerging markets. Digital offers a means to bridge the demand-supply gap and expand access to quality education. As technology advances, and new business models emerge, the barriers to edtech adoption will subside. For example, GenAI could cause a paradigm shift triggered by personalised learning pathways, real-time language translation and automated content generation.



Our portfolio

To date, we have invested over US$3.9bn in 12 businesses. Our track record has been mixed, reflecting the impacts of GenAI, operational execution in some businesses, and investment selection. We are addressing this where possible, and have learnt valuable lessons along the way. The global edtech sector has performed reasonably and there is opportunity due to the impact that technology and changing needs will have. Selection and execution need to improve if we want to continue to invest in this sector.

Our strategy will focus on investing in edtech innovators that leverage AI to make quality education accessible and personalised, aligning with financial and social impact potential. With Prosus' commitment to AI, a specialised team and extensive experience, we aim to benefit from the edtech evolution.

We will focus on large addressable markets with favourable unit economics to address a problem and fill a need not supplied by traditional education offerings.

AI

With the introduction of GenAI, a set of capabilities in the making since 2017, interest in AI has accelerated. The large underlying opportunity for edtech is in personal tutors (also called assistants or co-pilots), digital agents that can enhance personalised learning, taking learners from starting point to the desired learning outcome in the style, speed, form and sequence most effective for each learner.

While this has been a stated goal of edtech for some time, the technology has matured sufficiently to be useful only in recent months. Tutors/co-pilots are a foundational challenge for edtech companies. With tutors, the education experience changes (1-on-1 short interaction with a virtual tutor instead of a video-based course). The implications are vast: technology platforms need to be redesigned, education material needs to be repurposed, courses can be of any length and are unique for every learner, etc. Here the main risk is disruption from new AI-natives that think of learning as an AI problem from day one, without any of the baggage of content, tools and organisations of the era of massive open online courses.

Edtech

The technology landscape is currently dominated by large traditional tech companies, which are both providers of GenAI core building blocks (eg training and hosting large language models or LLMs) and suppliers of an increasing number of applications based on GenAI, such as co-pilots embedded in regular applications. While they are not direct competitors to edtech, they are lowering the barriers for creating sophisticated applications for education, indirectly fostering a range of new entrants to the field.

Many of our edtech companies, some in partnership with the Prosus AI team, have already launched or are soon deploying GenAI technologies in their platforms to enhance the learning experience for their users. This includes exploring GenAI applications in K–12 education, such as AI tutors and personalised learning paths and recognising the shift in workforce skilling platforms. There is a burgeoning need to reskill the workforce with AI-ready skills and leverage AI to improve learning experiences. Our portfolio businesses are actively working on enabling these capabilities, aiming to equip individuals and organisations with the necessary tools and knowledge to thrive in an AI-integrated future. For Stack Overflow, we believe GenAI will be an important evolution in how developers will work and learn in future, enabling them to be more efficient and better maintain their 'flow state'. The developer community can play a crucial role in how AI accelerates, ultimately helping with the quality of GenAI offerings.

Stack Overflow

Stack Overflow's mission is to empower the world to develop technology through collective knowledge.

Stack Overflow grew revenue 4% (4%) to US$98m, driven by growth in the Teams product. The growing adoption of GenAI, which impacts user behaviour, along with continued lower marketing spend, negatively impacted the business. Total bookings grew 7%, driven by new offerings such as OverflowAPI.

OverflowAPI enables AI/LLM providers to leverage Stack Overflow's public data asset into their AI capabilities. In March, Stack Overflow announced its first API partnership with Google Cloud, which will deliver new GenAI-powered capabilities to developers through Stack Overflow's platform and Google products. Recently, the company signed a similar partnership with OpenAI. It also launched OverflowAI in May 2024, which consists of an 'add-on' bundle of AI-assisted features that target longstanding pain points for Teams customers. The company has focused on reducing costs across all areas of the business and progressing towards profitability, leading to a reduction of US$28m in trading losses to US$57m.

GoodHabitz

GoodHabitz is a fast-growing European provider of online training for corporates and small and medium-sized enterprises, offering over 2 000 courses in 22 languages to more than 2 700 enterprise customers. It continues to expand beyond its home market of the Netherlands and is now operational in 15 countries.

GoodHabitz grew revenue 25% (20%) to US$50m. This was driven by growth in new business and upselling across its core markets, particularly in the Netherlands, with annual recurring revenue growing 15% to US$55m. Trading losses improved to US$8m, driven by cost-reduction initiatives.

Focusing on workforce skilling

stackoverflow
Around **660 million** pageviews monthly

skillsoft
Around **+90 million** learners across the world

goodhabitz online training
+2 700 enterprise customers

Skillsoft

Skillsoft is a global leader in digital workplace learning that listed on the New York Stock Exchange in 2021 (SKIL.N).

Skillsoft offers extensive cloud-based content spanning leadership, business, technology and compliance. Its client base is centred on large, blue-chip enterprises, representing some 60% of Fortune 1000 companies and its services are used by a community of over 90 million learners globally across +150 countries.

Skillsoft's revenue remained largely flat while its adjusted EBITDA margin improved by 1 percentage point to 19%. The company recorded a 2% decline in bookings, primarily from instructor-led training, and partially offset by content and platform sector growth of 2% YoY. Prosus holds 37.9% of Skillsoft at the end of the reporting period.

More information on Skillsoft is available at investor.skillsoft.com.

Eruditus

Eruditus provides executive education and short, private online courses partnering with over 80 leading universities across the globe. It makes high-quality education more accessible by offering over 700 programmes to global audience covering the US, Latin America, Asia, the Middle East/North Africa region, and Europe.

Brainly

Brainly is one of the world's leading AI learning platforms, with around 15 million daily users, including students, parents and teachers across the world. Students use Brainly to strengthen their skills in core subjects such as math, history, science and social studies. The platform allows them to interact with an AI tutor and live subject-matter experts, and create AI-generated test-prep study sessions.

BYJU'S

In the current financial year, the group wrote off the fair value of its 9.6% effective interest in BYJU'S, due to the decrease in value for equity investors. A fair value loss of US$493m was recognised in other comprehensive income in the current year.

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[1]

Operational performance

Key statistics

Revenue
US$2.2bn
(FY23: -US$2.0bn)
(14% YoY growth US$276m)
(8% YoY growth in local currency, excluding M&A)

Number of **employees**
8 041

Trading **loss**
-US$26m
(FY23: -US$63m)
(-2% trading profit margin)

Adjusted **EBITDA**
-US$21m
(FY23: -US$10m)
(1% EBITDA margin)

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, including fast delivery. Range of products. Quality, efficiency and reliable service at the right price.

Strategic focus

- Marketplace growth
- Category expansion and product selection
- Accelerating core etail services: Genius and Wallet
- Increasing delivery speed at affordable prices
- Develop the consumer financing product (HeyBlu)
- Focus on monetisation.

Value drivers

- Enhanced value, convenience, and pricing with Genius loyalty programme for frequent users
- Affordability through HeyBlu/wallet
- Wider selection (1p and 3p, better price index, lower average selling prices, quicker delivery)
- Convenience/delivery experience through out-of-home network
- Continue to develop advertisings and fulfilment services for the marketplace sellers.

Risks

- Macroeconomic downturn and higher interest rates
- Competition from specialists in verticals, and entry of regional players in the market
- Availability and cost of labour.

1 *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. Segment 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.*

SDG 12 SDG 13 SDG 17

Building a leading ecommerce ecosystem across Central and Eastern Europe

eMAG grew consolidated revenue 14% (8%) to US$2.2bn, driven by growth in the Romanian etail business, as well as in emerging businesses such as logistics (courier and lockers) and grocery. Trading losses improved by US$27m to US$26m, as the business progressed to profitability. The group's GMV grew 9% (in local currency) in FY24, led by Romania (11% in 4p[2] which also generated trading profit of US$40m for the first time and partially offset by Bulgaria and Hungary. Both Bulgaria and Hungary are now managed by the Romanian team, acting as a single organisation across all three territories.

eMAG's Sameday courier business increased revenue by 32% (32%) and halved trading losses while expanding in Hungary and Bulgaria.

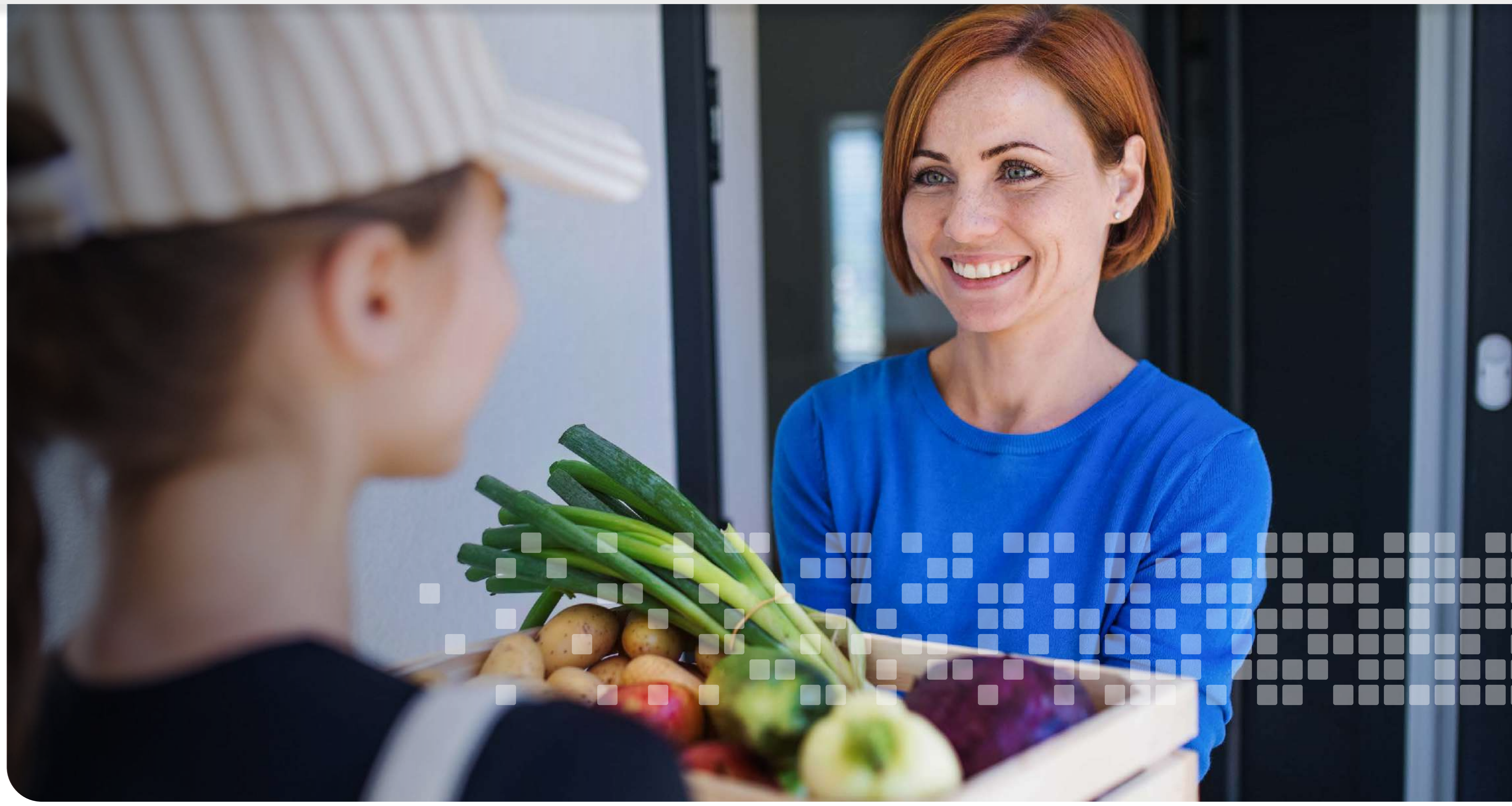
This group's growth extensions recorded strong growth. Revenue grew 57% (19%) driven by its food extensions: Freshful and Tazz. Freshful increased revenue 86%, reflecting order growth and an expanded customer base (79%). Tazz's revenue grew 18%, on increased average order value and extended geographical footprint. Tazz has made satisfactory progress in improving its order economics, contributing to a US$7m reduction in trading losses while Freshful maintained the same trading loss level for a business almost double the size. Overall, the trading losses for its food extensions improved from US$62m to US$50m.

The opportunity

eMAG 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 business-to-consumer or B2C marketplace core, eMAG extended into other categories:

- Fashion through Fashion Days
- Food delivery through Tazz
- Grocery delivery through Freshful

2 *4p – total of 1p, 2p and 3p.*



- Logistics infrastructure across the group through Sameday
- Credit through HeyBlu
- Recommerce through Flip
- eMAG's unique customer account and Genius loyalty programme that unites the customer experiences of these businesses
- To maintain its status as a preferred one-stop regional ecommerce platform, it also operates PC Garage (specialised online gaming retailer), Depanero (repairs appliances and electronic devices) and Conversion Marketing (performance marketing).

eMAG maintains its position as a leading ecommerce platform in Central and Eastern Europe (CEE). Beyond Romania, eMAG has implemented similar strategies in Hungary and Bulgaria. These three territories have a combined population of over 36 million and a combined GDP of over €600m[3]. Romania and Hungary's nominal GDP per capita CAGR forecast for 2024–2027 is around 11%, the highest growth among CEE countries.

In contrast, personal disposable income for Romania, Hungary and Bulgaria is among the lowest in the EU, representing about half the EU average. Accordingly, over 2023–2027, disposable income growth is expected to exceed CEE and EU averages, with sustained economic development being the main driver for private consumption.

A strong growth driver for the Ecommerce segment in Romania, Hungary and Bulgaria would be the successful conversion of internet users to online shopping, to reach levels similar to other CEE countries.

One out of three **internet users** in Romania is an eMAG client, while two out of three **online shoppers** in the country are eMAG clients.

By upscaling eMAG's digital solutions in its regional network, and replicating the Romanian success story, similar penetration levels could be reached in Hungary and Bulgaria.

eMAG is the ecommerce flagship in three countries, driving ecommerce penetration since 2001 in Romania, 2011 in Bulgaria and 2013 in Hungary. The business model originated from 1p electronics and evolved into a marketplace that blends both 3p and a fast-accelerating 2p business, from the Bucharest warehouse. Currently, over 50 000 sellers, domestic and international, offer their extended selection of products in all categories through eMAG's platform. All product listings are offered under a unified front-end catalogue for a seamless user experience.

3 *Source: Economist Intelligence Unit (EIU) March 2024.*

Etail – eMAG

The first pillar of eMAG's strategy for its core business is **marketplace acceleration** in the region. The marketplace business extends eMAG's selection beyond what 1p can offer and generates profits that support the larger business. eMAG Romania's 3p business has grown its share of GMV, with the goal to reach 46% by FY29. eMAG has grown its 3p business by focusing on the fundamentals: selection, pricing and convenience.

The second pillar is **category expansion** and **increased selection** to enlarge the total addressable market, improve customer engagement, and bring economies of scale and scope. Selection is being increased from the current 20 million to 50 million offers through strong international resourcing, technological upgrades of the marketplace platform and developments in listing processes with AI tools.

A foundational step in realising the benefits of eMAG's ecosystem was to enable customers to navigate freely across its platforms. Customers can now access eMAG, Fashion Days, Tazz and Freshful through a single account. The convenience of a single log-in raises customer engagement, which leads to higher conversion rates for eMAG.

eMAG's top priorities in FY24 were delivering trading profit and improving revenue. Revenue improvement was achieved through 3p acceleration, developing non-electronic categories, Genius, ramped-up campaigns, selection and pricing policies. During the year, eMAG Romania, Hungary and Bulgaria were integrated, creating a full regional organisation covering all functions. Trading profit delivery was also in focus through cost-saving initiatives as well as better monetisation of rendered services.

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 11.3% YoY. While purchases of higher-priced items were lower amid protracted 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

Genius, eMAG's subscription programme, is the flagship proprietary service offering, providing free priority delivery and extended return to over 716 000 eMAG users in Romania. It fuels the group's ecosystem by expanding its benefits to the other group businesses (Tazz, Fashion Days and Freshful). It is the top driver in retention and growing 3p and 2p, as it removes the barriers of delivery costs and delivery time. In the next three years, Genius aims to reach 1 million clients in Romania and will be launched in Hungary and Bulgaria in the first quarter of FY25.

Growing Sameday

eMAG continued to strengthen its Sameday courier business, which aims for a 99% on-time delivery rate. In FY24, Sameday grew revenue 28%, meeting increased demand for deliveries from eMAG and other businesses in Romania and Hungary, while growing its business in Bulgaria. Within these countries, Sameday is already addressing a population of 36 million consumers. The borderless courier ecosystem will become an enabler for the online ecommerce segment in the region, by offering consumers a large selection of products, high delivery speed (24–48 hours) and affordable prices (instead of expensive international fees). Sameday's value proposition for the ecommerce segment is the opportunity to increase sales by accessing an extended pool of consumers without the need for sellers to store inventory in each country, with marginal delivery costs and using only one courier network across the three countries.

Expanding easybox network and increasing delivery speed

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 FY24, 5 000 lockers were available across the region, with plans to double the number by FY27.

The easybox service offers added convenience. Next-day delivery is a gold standard that Sameday plans to extend, on the back of increased out-of-home network in all three countries. 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 food-delivery service, Tazz, is now one of the top participants in the highly competitive Romanian market, growing GMV by 16% from a year ago. Capitalising on investments to build the brand and customer base, Tazz is focused on growing its order volumes and improving quality of service, while continuing to address profitability targets.

Added value from grocery delivery

Freshful, the leading e-grocery player in Romania, offers a comprehensive range of 17 600 items, focused on local producers 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.

After operating for only two years, from 75 000 orders per month in FY23, Freshful grew to 95 000 monthly orders delivered in March 2024. High customer satisfaction reflects the range and quality of groceries on offer, coupled with the reliable ordering and delivery service.

Expanding to financial services

eMAG's HeyBlu vision is to become a leading player by offering financing products to ecommerce segment merchants and consumers, to empower them in financing tools that extend purchasing power, in an easy and convenient way based on fair and transparent lending rules.

The short-term business goal is to offer simple, easy-to-access credit solutions to eMAG users, based on unique scoring capabilities developed by eMAG. The programme started by offering eMAG's customers two products: buy-now/pay-later (BNPL) with 30 days' grace period; and Slice4 (three-month instalments with upfront downpayment). In FY24, the product portfolio was supplemented by Slice12 (11-month instalment offer with upfront downpayment).

Sustainability – promoting a circular economy

eMAG continued to develop its initiatives to promote a circular economy. For instance, it encourages customers to select returned and resealed 'second-chance' products. Currently, 95% of eligible returned products are being resealed and reintroduced to the market with a discounted price through this initiative. The adoption rate for this product category remains high, with over 410 000 resealed products sold in FY24.

Looking forward

eMAG will continue to grow by extending the Genius loyalty programme, expanding financial services, expanding the out-of-home network, 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.

Etail – Takealot Group

Operational performance

takealot.com SUPERBALIST.COM MR D

Key statistics

Revenue
US$792m
(FY23: -US$808m)
(-2% YoY growth US$16m)
(8% YoY growth in LC, excluding M&A)

Number of **employees**
2 471

Trading **loss**
US$14m
(FY23: US$22m)
(-2% trading profit margin)

Stakeholder material matters

Employees
- Job opportunities and skills development, increased diversity across workforce.

Regulators
- Changing regulatory environment. Building relationships and transparency with regulatory bodies in trading environment.

Merchants
- Adoption of merchants onto the platform.

Consumers
- Providing value, affordability, selection and convenience.

Strategic focus

- Maintaining profitability while continuing GMV growth
- Customer experience and personalisation
- Advanced supply chain and logistics capabilities
- Sustainable retail player.

Value drivers

- Expanding delivery-service levels geographically and reducing turnaround times
- Entry to new verticals, including grocery delivery and general merchandise dark stores
- Expansion of services offered to marketplace sellers with dedicated account support
- Growth and expansion of retail media offers to suppliers and sellers
- Launch the 'takealot more' loyalty programme across all Takealot platforms.

Risks

- High inflation, particularly fuel and energy costs, as well as nationwide staged electricity loadshedding increasing the cost of doing business
- Continued expansion of new entrants with aggressive and disruptive business models.

SDG 8 SDG 10 SDG 12 SDG 13 SDG 17

The Takealot Group is a group of leading ecommerce businesses in South Africa, comprising: Takealot.com, Superbalist.com and Mr D. Takealot.com is a general online retail and marketplace platform. Superbalist.com is an online apparel and footwear retailer and Mr D is a convenience delivery platform for restaurants and groceries.

There was increased competition throughout the year as competitors continued to invest heavily in ecommerce capabilities. Global competitors have made strong inroads into a price-conscious South African market and new entrants could further intensify competition.

Despite this, the Takealot Group delivered 3% growth on GMV and 8% growth on revenue in local currency.

Takealot.com grew GMV by 3% and reduced trading losses by US$4m in local currency, excluding M&A from the previous financial year. Its marketplace seller base exceeded 10 000 active sellers in March 2024 and is a key channel for many small businesses.

Mr D grew GMV by 16% in local currency, despite tough trading conditions in its traditional middle-income market. The business reached profitability for the first time, with a trading profit of US$3m for the financial year.

Building a convenient, enabling ecosystem across South Africa

Takealot is a leading 1p/3p ecommerce platform in South Africa, with impressive GMV growth of 26x over the past eight years. It expects steady growth to continue, despite the country's macroeconomic challenges, as the major growth driver is switching from offline to online. Among these challenges, rising interest rates and inflation depressed consumer demand while loadshedding created strain throughout the economy. Online penetration in South Africa, estimated by Euromonitor at 4.8% in FY24, still has room to grow compared to international benchmarks.

Although Takealot's base of higher-income consumers is more financially resilient than the average consumer, the competition for share of online wallet is intensifying, with new entrants to the market. Marketplace is a key pillar of Takealot's growth strategy. Takealot.com's 3p share of GMV is projected to increase as more sellers are brought onto the platform and the company expands the breadth and depth of its selection. Takealot aims to empower small and medium businesses by supporting and coaching new sellers, while managing and helping underperforming sellers.

Superbalist continued to focus on optimising its product offering by limiting private label to certain subcategories and partnering with global fashion retailers to offer a wider assortment of products. Tough trading conditions have increased competition from local players due to aggressive pricing to stimulate consumer depressed demand. The acceleration of international players has also impacted Superbalist.com's revenue growth.

Mr D has built a leading two-sided food-delivery marketplace in South Africa by providing superior service and better restaurant selection to customers, as well as an economically attractive channel to increase sales with minimal incremental cost or effort for restaurants. In addition to the partnership with offline grocer Pick n Pay, Mr D expanded its product categories to include petfood and accessories, gifts and flowers as well as general merchandise, moving to a convenience-delivery model.

Takealot's top priorities for FY24 were improving profitability and managing competition. Although operating costs increased due to the prior-year impact of new warehouses and new hires, costs were contained by scaling down activities, driving efficiencies and implementing a hiring freeze. In addition, Takealot has taken action to mitigate the effects of higher fuel prices by installing diesel tanks at distribution centres, and encouraging self-collection by customers at convenient pickup points.

Customer satisfaction

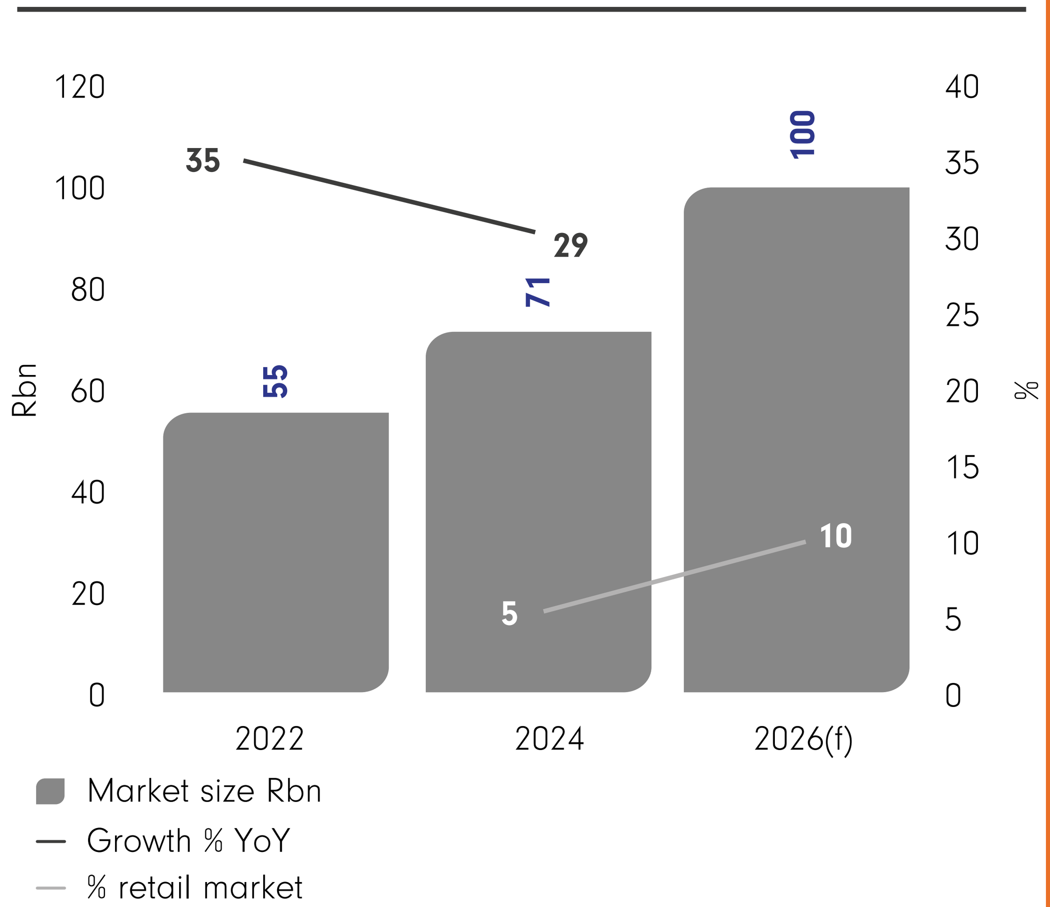
Takealot tracks customer satisfaction using NPS and a CSAT (yes/no) scoring matrix. Every interaction with a customer ends in a brief survey on whether they are satisfied with the solution or outcome presented. NPS is used as a mirror to the business and is sent randomly to over 30 000 customers a week to gauge customer satisfaction levels. The same is done for Takealot marketplace sellers. There is constant iteration in the way surveys are presented to ensure maximum response rates, as well as aligned data to assist in improving customers experience, ie in-app pop-up surveys have recently been launched.

Etail – Takealot Group

Online shopping is gaining momentum in South Africa

> **'As one of the leading online retailers, Takealot is at the forefront of this shift, offering a wide range of products and services that cater to the evolving needs of consumers.'**
>
> *– Fred Zietsman, CEO Takealot*

Online retail in SA



South Africa's online retail sector grew 29% to R71bn last year, and is rapidly becoming a significant portion of total retail sales. A new study by World Wide Worx forecasts that the online retail sector will pass the R100bn mark to account for 10% of total national retail sales in the next two years. Much of this growth is attributed to the strategic shift by traditional (bricks-and-mortar) retailers towards competitive ecommerce and enhanced customer service, supported by sophisticated AI-driven tools. In combination, this is fundamentally transforming the local retail landscape.

The Takealot Group has been instrumental in developing the ecommerce sector in South Africa. Founded in 2015, its three platforms – Takealot, Superbalist and Mr D – are popular, trusted brands. Importantly, over the years, the group has developed in-depth knowledge of the specifics and diversity of the domestic market, underpinning takealot.com's continued growth in South Africa.

This understanding of the market was one of the reasons behind the Takealot Township Economy Initiative, launched in May 2024 in partnership with the Gauteng provincial government. The overarching objective is to ignite economic empowerment by fostering local manufacturing, supporting small businesses, and creating jobs in underserved South African communities. We aim to transform townships into hubs of innovation and opportunity through strategic partnerships with the provincial government, empowering youth and historically disadvantaged individuals to drive community development. Through a R150m investment in township ecommerce in the province, we will enable entrepreneurs in townships to develop a national reach online while creating job opportunities for young people as resellers on the Takealot platform.

Levelling the playing field in South Africa's ecommerce sector

Takealot's pioneering impact and the need for fair competition

The Takealot Group firmly believes that fair competition benefits everyone – it enhances consumer choice, bolsters South Africa's fiscal health, and stimulates growth of the ecommerce sector.

Since its inception, Takealot has been a trailblazer in the ecommerce sector in South Africa – introducing a range of innovative services and products that have significantly broadened the scope of online shopping for consumers. As a staunch advocate for micro-enterprises, the Takealot platform proudly hosts over 11 000 marketplace sellers. Additionally, the company is dedicated to enhancing ecommerce accessibility in some of the most isolated areas of South Africa, promoting economic inclusion across the country.

The entry of international players like Amazon, Shein and Temu to the local market underscores the robust confidence in this sector. At the same time, it is testament to the groundwork laid by pioneers like Takealot.

The rise of ecommerce platforms such as Shein and Temu in South Africa underscores a growing concern that threatens the nation's reindustrialisation and localisation efforts. These platforms contribute to a market imbalance by flooding the market with inexpensive imports. This influx is particularly noticeable in the local apparel sector due to Shein, and in the wider general merchandise market, affected by both Shein and Temu. Such trends pose significant challenges to the development and sustainability of domestic industries.

Regulatory gaps in South Africa's ecommerce sector

These ecommerce platforms exploit outdated regulations and loopholes by using shipping methods that allow them to offer products at exceptionally low prices while avoiding duties, taxes and other government fees imposed on conventional retailers. Collectively, this hinders government initiatives focused on revenue generation and collection, and undermines South Africa's sense of sovereignty.

The current governance landscape in ecommerce does not sufficiently address the need for fair competition – a disparity that leads to significant revenue losses and reduced capacity for local job creation. It also leaves domestic retailers, both online and offline, at a disadvantage. It is imperative that policy-makers craft regulations to level the playing field, ensuring all participants adhere to the same standards and practices and contributes fairly to the national economy.

The consequences of maintaining the current regulatory framework are significant. If unaddressed, the disparities will continue to widen, placing local businesses at a further disadvantage. This will not only inhibit their growth potential but also perpetuate a significant economic drain. Such a scenario threatens the vitality of the local economy and undermines sustainable development efforts.

In addition, without reform, potential new international investment could be deterred by the risk of an unstable and unbalanced market. Importantly, beyond the regulatory environment, these businesses selling into our country do not invest in physical infrastructure locally, nor do they employ locally – a net loss to South Africa. We believe it is crucial to quantify the significant current impact of offshore ecommerce on the South African economy, particularly in the manufacturing sector.

This form of commerce extracts value from South African consumers without contributing to local communities, ultimately harming small businesses, local manufacturers and the limited job opportunities available.

Every company operating in South Africa should have the opportunity to thrive, provided they adhere to the law and contribute to the local economy.

The call for reform

Takealot has engaged with key stakeholders to underscore the importance of fostering fair competition, enforce existing regulations on new offshore players that skirt these rules, and consider additional measures to address ecommerce challenges comprehensively, ensuring a level playing field for all participants. Globally, regulators in major economies are doing just that.

This call for fairness is not just about maintaining competitiveness; the goal is to safeguard the integrity of South Africa's retail, including small businesses (regardless of whether or not they sell on the Takealot's marketplace) and ensure sustainable growth for all.

Ultimately, what is needed is a balanced, inclusive and competitive marketplace where local and international businesses thrive by contributing equitably to the nation's economic growth and job creation and where consumers enjoy a wide range of high-quality, affordable products and services.

Looking forward

Takealot Group is investigating opportunities to expand its platform and services while increasing investment in its logistics and supply-chain infrastructure. The group's focus on delivering profitable growth across all businesses remains the leading priority while competing robustly with market incumbents as well as new entrants.

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.

It will also continue to look for more ways to support all 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.

Other Ecommerce: Ventures[1]

Operational performance

Ventures

meesho

Meesho is among India's top three online marketplaces, connecting underserved small sellers with millions of consumers across India. Leveraging tech innovations, seller-friendly policies and an asset-light structure, Meesho is now the platform of choice for India's price-conscious customers.

- Facilitated transactions for **140 million** customers in 2023
- **1.5 million** sellers on the platform; 5x user growth on platform since 2022
- World's fastest shopping app to cross **500 million** cumulative downloads (as per Sensor Tower data).

corti

Corti's medical AI co-pilot, rooted in extensive peer-reviewed research, offers real-time guidance during patient interactions and emergency calls, supporting documentation, coding, triaging, and quality assurance.

- Collaborates with some of the **biggest healthcare** providers, public safety agencies and health insurers in Europe and the United States
- Currently covers around **100 million patients** a year.

neara

Neara builds 3D interactive models of critical infrastructure networks and assets. This AI-driven proprietary modelling and simulation technology helps run real-world scenarios, assess current and future risk, and prioritise maintenance and disaster response.

- Customers currently span a combined territory of 1 million+ square miles and **7.9 million** assets across **9 countries**
- It can identify and reduce risks **9x faster** than traditional methods.

Urban Company

Asia's largest home services company, UrbanCompany, is building a fulfilment-led services platform to reimagine and organise the key verticals of the home services industry. It offers services such as cleaning, plumbing, carpentry, painting, beauty and spa.

- A presence in **50+ cities** across **7 international markets**
- **+19 million services** delivered in calendar 2023.

oxford ionics

Oxford Ionics is a high-performance quantum computing company, delivering world-leading innovations to create powerful, accurate and reliable quantum computers to solve the world's most-pressing problems.

- Oxford Ionics achieves the **highest performance ever demonstrated** while using chips manufactured on a semiconductor production line
- The team has over **100 years** of expertise in this space; **10** PhDs and **130+** peer-reviewed scientific publications.

DeHaat Seeds to Market

DeHaat is India's largest full-stack, technology-based business-to-farmers (B2F) platform that offers a complete range of agricultural services to farmers, including high-quality agricultural inputs, access to financial services and market linkages for selling their produce.

- Aggregates and processes **6 000 million tonnes' produce** every day, delivered across **34 countries**
- Empowers **2.5+ million farmers** by offering seamless access to over **5 000** agricultural inputs
- Last-mile supply network across **120 000 villages** in more than **150 districts** of India.

1 *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. Segment 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.*

SDG 10 SDG 12 SDG 13 SDG 17

Identifying and investing in the next wave of group growth

Continuing to explore new investment themes

The past few years have witnessed increasing geopolitical instability and economic shifts across the globe. As a long-term investor, we have invested over decades across several high-growth sectors and regions and are prepared for fluctuations in the market.

Prosus Ventures remains confident about its operational framework. Our investment strategy, like that of the wider group, remains centred on supporting businesses that focus on large total addressable markets, enabled by software.

We are optimistic about investing in high-quality companies with a strong plan for driving unit economics. We expect many of these companies will emerge from economic downturns as stronger and more sustainable businesses.

Our bar for deploying capital in new investments remained high this year due to continued market uncertainties. While this led to a reduction in total funds deployed, we are confident in our thesis and continue to focus on earlier-stage investments and supporting our portfolio companies. Across regions, we have helped our founders and their teams manage challenges brought on by macroeconomic impact.

Riding the next wave of growth

Prosus Ventures collaborates with inventive entrepreneurs across the world to help them establish tech-enabled businesses in high-growth markets. We serve as the group's pioneer for exploring new investment domains. Our commitment to this approach remains steadfast, along with our focus on sectors where technology can bring a step change in consumer and business behaviour and economics.

In FY24, we invested and committed over US$140m in more than 20 closed transactions. In line with our approach in recent years, we will continue investing in businesses chasing a sizeable market across domains being disrupted by software. We are great believers in the opportunity accorded by software to transform and scale businesses across sectors. GenAI is just one incarnation of this, and we will focus on unlocking other step-change opportunities.

Our geographical footprint will also stay in line with previous years. We have expanded our investments and coverage in India, along with greater engagement in south-east Asia, Australia and New Zealand, Europe, MENA (Middle East/North Africa) and the Americas.

Despite uncertain market conditions, we are excited about the opportunities where technology can enable transformation across regions and sectors. We have made seven investments in the AI space, including investees building at the intersection of B2B and AI, across verticals such as health, climate and legal tech.

We are continually scouting for the next wave of entrepreneurs who show both high potential and the determination to grow their business.

B2B as the growth engine

In recent years, Prosus Ventures has expanded its investment horizons beyond business-to-consumer (B2C) to identify investments in the business-to-business (B2B) sector. We have covered the end-to-end spectrum of the B2B space (from commerce to vertical SaaS or software-as-a-service) based on the opportunity set in markets in which we operate.

- In developing markets such as Indonesia, the B2B focus has been on companies that leverage technology to solve for traditional issues around logistics, supply chain and agriculture
- In developed markets such as Singapore, Australia, Europe and the US, the opportunity set has been predicated on software-led companies with a global-first approach across horizontal and vertical themes such as cybersecurity, healthcare, data privacy and energy infrastructure.

elasticrun | SPOTDRAFT | DETECT TECHNOLOGIES

India, a prime investment destination

India remains a key area of interest due to its potential for growth across consumer and enterprise sectors. Prosus started as a consumer tech growth-stage investor in India. In recent years, Prosus Ventures expanded its horizon to early-stage companies across a variety of domains, including SaaS, B2B marketplaces, B2C and new-age tech.

We see two themes unfolding in India:

- Building in India for India: local expertise for local problems
- Building in India for the world: using a relatively low-cost, high-quality resource environment to solve for location-agnostic problems.

Today, we are an end-to-end, multistage, multisector investment platform in India and a preferred choice for founders.

VEGROW | captain fresh | DeHaat Seeds to Market

AI

AI enhances efficiency and reduces costs by automating processes that traditionally require human labour. The technology's ability to quickly generate high-quality outputs accelerates time-to-market and ensures consistency across various applications. AI is a focus area for Ventures and we expect further capital deployment in this domain over the long term. Our key focus here is vertical applications of AI/GenAI and tooling and infrastructure.

corti | Ema | BandLab.

Sustainability and synbio

Two emerging sectors that have caught our interest are sustainability and synthetic biology or synbio, due to their step-change potential and strong tailwinds. Within the realm of climate tech, we are looking for promising opportunities driven by increasing and favourable regulatory focus, dedicated funds, and growing market interest in adopting climate solutions. Our interest in synbio stems from the ongoing substantial reduction in gene-editing costs and the sector's expansion into diverse verticals like food, agriculture, cosmetics and industrials, reflecting a broader scope beyond just pharmaceuticals.

Our new investments in this space include a utilities software, Neara, and a next-generation biomanufacturing company, Tierra Biosciences.

TIERRA | EVERY | BIOME MAKERS

Looking forward

We believe calendar 2024 will be a juncture for the young companies in our portfolio, as they aim to prove their ability to generate strong unit economics. We remain committed to supporting our remarkable founders and their ventures, while seeking new investment opportunities. As we are flexible investors per our investment thesis and invest when we see an opportunity, this enables us to support ideas and companies that will be part of the next wave of growth for Prosus and high-growth sectors all over the world.

Social and internet platforms[1]

SDG 9 SDG 12 SDG 13 SDG 17

Tencent

In 2023, Tencent made breakthroughs in a number of products and services, summarised below. These developments drove high-quality revenue streams that fuelled strong gross profit growth, record profit and free cash flow, and supported its plan to step up capital returns to shareholders.

For the year ended 31 December 2023, Tencent reported revenues of RMB609bn, up 10% from last year. Non-IFRS profit attributable to shareholders (Tencent's measure of core earnings by excluding certain non-cash items and certain impact of investment-related transactions) increased 36% to RMB158bn.

The opportunity

China remains the world's largest consumer internet market, with around 1.09 billion internet users in December 2023 (up 2.3% YoY), 99.9% of whom were mobile users[2]. With a highly mobile-penetrated population, growing middle class and increased investment in digitally transforming industries, the opportunity in this internet industry remains massive.

Continuing to grow

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 over 1.34 billion people worldwide, enabling them to stay in touch with friends and family, access transportation, 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 computing, advertising, fintech and other enterprise services to support its clients' digital transformation and business growth.

In 2023, Tencent further enhanced its business efficiency and focused on core activities while developing new services and revenue lines to support sustainable and high-quality growth. During the year, it launched its proprietary foundation model, Tencent Hunyuan. This is now among the top tier of large language models in China, with notable strength in advanced logical reasoning.

Monthly active users of Weixin and WeChat reached 1.34 billion, up 2% YoY. User time spent on Weixin continued to grow as it expanded its content, service offerings and short-form video capability. Time spent on Video Accounts more than doubled in 2023, reflecting the benefits of enhanced recommendation algorithms. Video Accounts is now entrenched as a major short-form video and live-streaming platform in China, while Mini Games is regarded as the leading casual game platform in China.

The number of Tencent mobile and PC major hit games in China (defined as games with average quarterly daily active users exceeding 5 million for mobile or 2 million for PC and generating over RMB4bn annual gross receipts) increased from six in 2022 to eight in 2023. International contribution to Tencent's games revenue reached a record 30%.

Tencent Video and Tencent Music Entertainment extended their important presence in the long-form video and music-streaming industries, with 117 million video subscriptions and 107 million music subscriptions. Tencent upgraded its AI-powered advertising technology platform, which significantly enhanced targeting accuracy and therefore, revenue growth. It also strengthened its payment compliance capabilities, enhanced mini program-based transaction tools and upgraded the cross-border payment experience.

Tencent continues to actively leverage its technology and platform to create value for society through initiatives such as its digital philanthropy platform, one of the largest of its kind in the world. In 2023, the 99 Giving Day event raised a record RMB3.8bn in public donations. The company made progress in its decarbonisation journey by applying its fourth-generation data centre technology to reduce emissions and increase the adoption of renewable energy. In August 2023, Tencent joined the United Nations Global Compact (UNGC), demonstrating its commitment to integrating UNGC's principles into its strategy, culture and day-to-day operations, while supporting the UN's Sustainable Development Goals.

In 2023, it returned substantial capital to shareholders through payment of cash dividend, share repurchases, and settlement of distribution in specie.

Looking forward

In 2023, Tencent made notable progress in core technologies, especially those involving AI that will serve as its growth multiplier going forward. The deployment of AI technology in its existing businesses has begun to deliver revenue benefits, particularly for its advertising business. Tencent is increasingly integrating Hunyuan to provide co-pilot services for its enterprise SaaS products, including Tencent Meeting and Tencent Docs, and it is developing new GenAI tools for effective content production internally. It has identified earlier-stage business opportunities from providing AI services to Tencent Cloud customers.

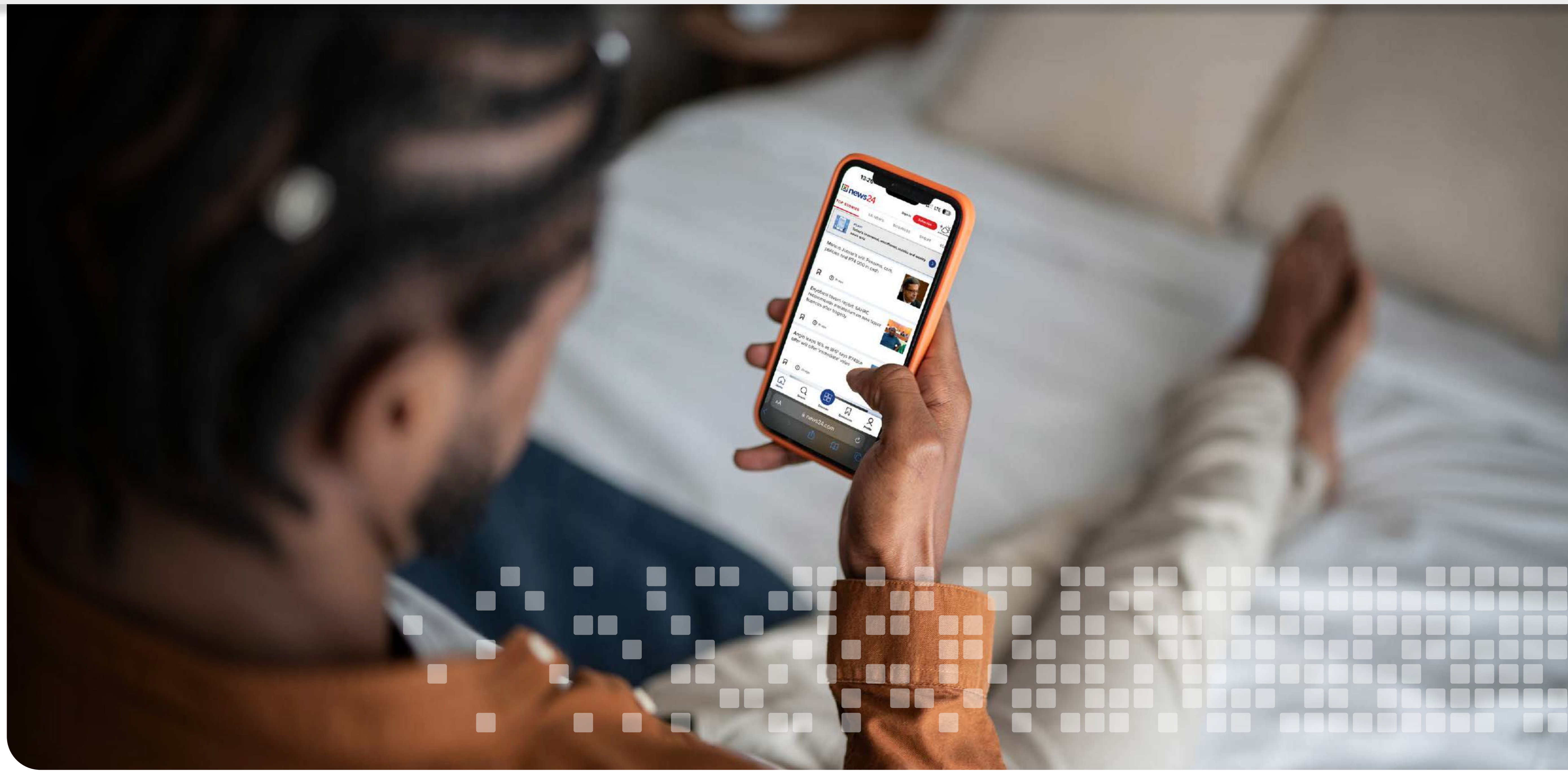
Tencent's management team remains committed to streamlining business operations and managing costs to reinforce product leadership and expand key strategic growth areas.

The group's commitment to the principle of 'value for users, tech for good' is unwavering. Harnessing its investment in technology, it will continue to create value for its shareholders and the community, and strive to foster innovations, address societal needs and contribute to a sustainable future for all stakeholders.

1 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. Segment 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.

2 Per latest CNNIC report issued on 22 March 2024.

Media24



Delivering a profitable performance amid protracted tough trading

Over recent years, Media24 has established a business model that is robust and agile; stripped of non-core operations, drawing on its refined operational strengths and capitalising on a diversified portfolio. In FY24, the streamlined business portfolio and stringent, ongoing cost management contributed greatly to its ability to remain profitable despite a trading landscape under severe pressure.

Leading in media

Media24 is a leading print and digital media group in South Africa with interests in digital media, newspapers, magazines, ecommerce, book publishing, television content production and logistics. It publishes several magazines and newspapers and reaches 1.1 million average daily unique browsers, generating 9.2 million average daily pageviews across its digital platforms.

Weathering the economic storm

FY24 was a turbulent year in a severely constrained economy, with Media24 recording mixed results:

- Shortfalls in media revenues, led by an ongoing contraction in digital advertising and shrinking circulations
- Total digital news subscribers (News24 and Netwerk24) growing by 19% YoY to pass the 200 000 mark
- M24 Logistics countering lower ecommerce volumes with strict cost control, and completing installation of the new Cape Town warehouse well within budget
- Higher revenues from external media logistics at On the Dot
- Media24 TV making good progress on the back of sustained growth in external commissions
- Numerous local and international nominations and awards keeping Media24 the home of world-class journalism, publishing, and commercial content.

The benefits of a well-diversified business portfolio and strict cost management were again evident as Media24 remained profitable, albeit at a lower level than last year.

Total revenue of US$182m was 16% (7%) lower YoY, with a trading profit of US$2m against a profit of US$7m in the prior year.

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. We also have an internal ombudsman who monitors ethical reporting in our publications. Complaints on media ethics and independence may also be referred to the South African Press Council. Staff are required to complete training on our code of ethics, as well as other related topics, including whistleblowing and privacy.

Quality journalism and publishing

Media24 stayed true to its proud history as the home of quality journalism and publishing, with local and international industry awards including:

- News24 named by the Reuters Institute as the most trusted news brand in the country for the fifth consecutive year
- Three awards for News24, including best news website in Africa, at the WAN-IFRA Digital Media Awards Africa
- Adspace24 named native advertising studio of the year at the 2023 Native Advertising Awards in Denmark and winning a gold and two silver medals for campaigns at the INMA Global Media Awards in New York
- Jeff Wicks was a joint winner of the Taco Kuiper Award and of a national Vodacom Journalist of the Year award for investigative journalism. He was also shortlisted for the prestigious 2023 Global Shining Light Awards
- Elizabeth Sejake was Media24's second winner of a national Vodacom Journalist of the Year award (photography), and our newsrooms countrywide produced 15 regional winners
- Five awards and six commendations in the Standard Bank Sikuvile Journalism Awards
- Six IAB Bookmark Awards, including the Black Pixel as best online publisher for the seventh consecutive year
- A slew of national literary awards for authors at our book publishing divisions.

Looking forward

We remain committed to our strategic focus of building a smaller, profitable media business; adapting resources, costs and infrastructure to ensure Media24's sustainability in an ever-evolving, digital-driven landscape.