

A delivery person wearing a colorful helmet and a dark shirt is riding a motorcycle on a city street. The motorcycle has a large red delivery box on the back with the 'ifood' logo and a white arrow. The license plate of the motorcycle is 'FKE 8900'. The background shows a city street with trees, buildings, and a green street sign that reads 'No. 7 area Lima', 'Indahputra', and 'V. Mariani'.

PROSUS

Food Delivery: Expanding the food opportunity beyond restaurants

Larry Illg | CEO Edtech and Food

Disclaimer - Forward looking statements

Shareholders and noteholders are advised that the information, including the constant currency and pro forma financial information in this presentation has not been reviewed and reported on by the Company's external auditors and does not constitute a profit forecast.

This report contains forward-looking statements as defined in the United States Private Securities Litigation Reform Act of 1995 concerning our financial condition, results of operations and businesses.

These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond our control and all of which are based on our current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "intends", "estimates", "plans", "assumes" or "anticipates", or the negative thereof, or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Prosus cautions that forward-looking statements are not guarantees of future performance. These forward-looking statements and other statements contained in this report regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved. Actual events or results may differ materially as a result of risks and uncertainties facing us and our subsidiaries. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements.

There are a number of factors that could affect our future operations and could cause those results to differ materially from those expressed in the forward-looking statements including (without limitation): (a) changes to IFRS and associated interpretations, applications and practices as they apply to past, present and future periods; (b) ongoing and future acquisitions, changes to domestic and international business and market conditions such as exchange rate and interest rate movements; (c) changes in domestic and international regulatory and legislative environments; (d) changes to domestic and international operational, social, economic and political conditions; (f) labour disruptions and industrial action; and (g) the effects of both current and future litigation.

The forward-looking statements contained in the report speak only as of the date of the report. We are not under any obligation to (and expressly disclaim any such obligation to) revise or update any forward-looking statements to reflect events or circumstances after the date of the report or to reflect the occurrence of unanticipated events. We cannot give any assurance that forward-looking statements will prove correct and investors are cautioned not to place undue reliance on any forward-looking statements.

Food Delivery presents an attractive platform with massive growth opportunity



Serving one of the **most essential human needs**



Large global market opportunity moving online



Huge platform expansion potential



1 – For example: Grocery, Ecommerce (eg Electronics, Fashion, Home), FinTech (eg B2C, B2B), Logistics Services (eg Courier, Ride Hailing), Other Services (eg Laundry, Beauty, Travel Booking)
Source: Euromonitor, "Food Service E-commerce"

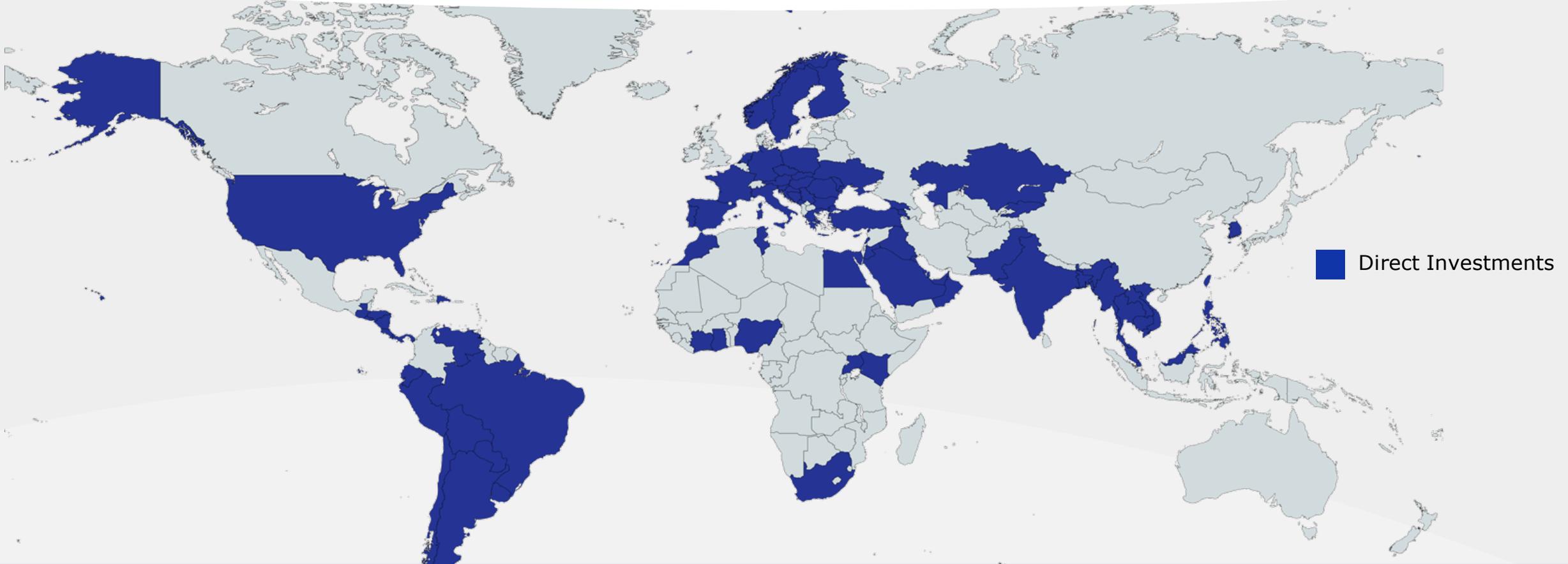
TAM is huge and growing, + opportunity to expand into adjacencies



Note: Online Food Delivery TAM also includes orders from pre-paid online restaurant reservations; * Includes alcohol and tobacco; excludes FMCG goods; all numbers are rounded
Source: Euromonitor

1 - Includes: Courier, Ride Hailing; 2 - Includes: Laundry, Beauty, Travel Bookings, Entertainment Bookings

Prosus has the largest global Food Delivery footprint



**#1 position in
57 markets¹**



**Covering 70+
countries**



**US\$10bn+
invested**

Last time we met: We shared our vision to grow the category

↑ Profitability and defensibility

Food delivery 1.0

3P marketplace

- 👍 Good enough for early adopters
- 👎 Limited TAM
- 👎 Subpar UX

Food delivery 2.0

1P logistics-enabled marketplace

- 👍 Unlocked TAM with expanded supply
- 👍 Higher engagement with better UX and assortment
- 👎 One use case only

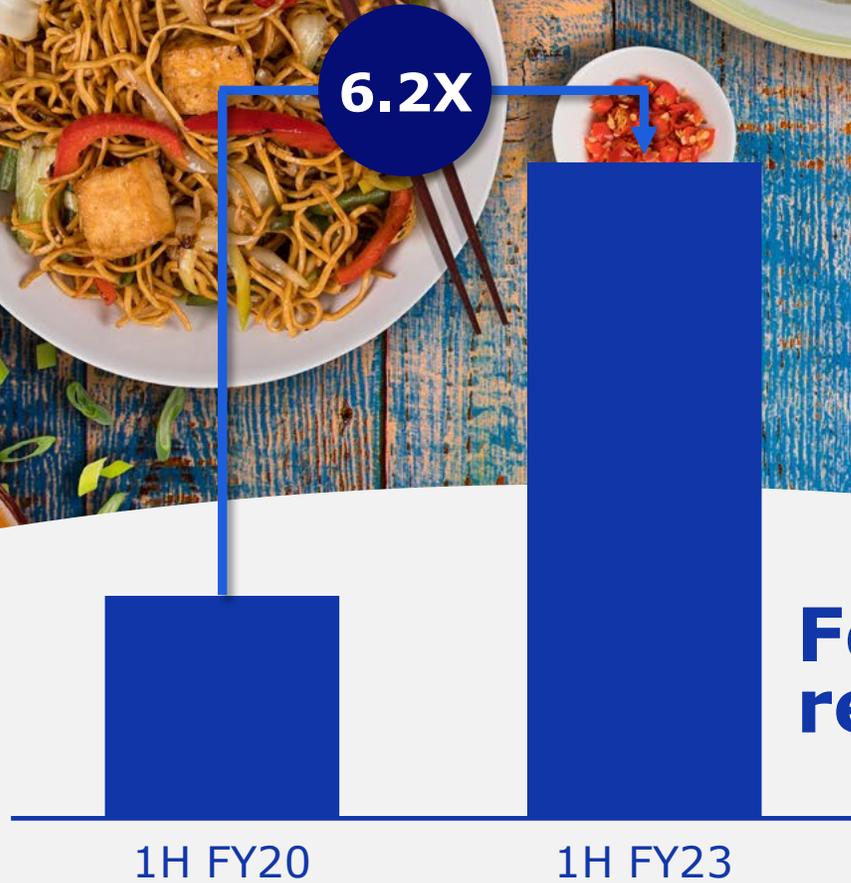
Food delivery 3.0

Applying 1P logistics to other verticals

- 👍 Unlocked TAM with non-food use cases
- 👍 Higher engagement
- 👍 Ability to reinvest profits
- 👍 Improved unit economics

→ TAM potential

Since last time: We have grown the portfolio 6X...

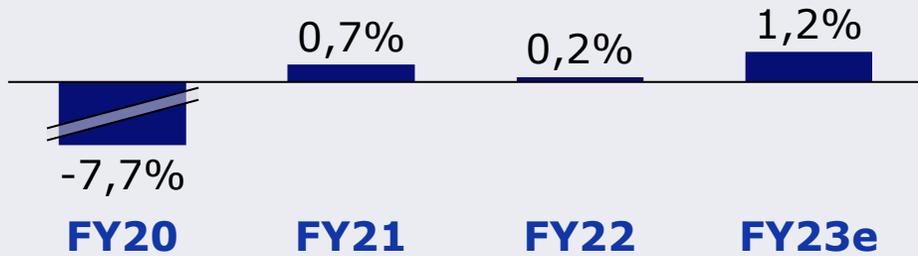


**Food portfolio
revenue**

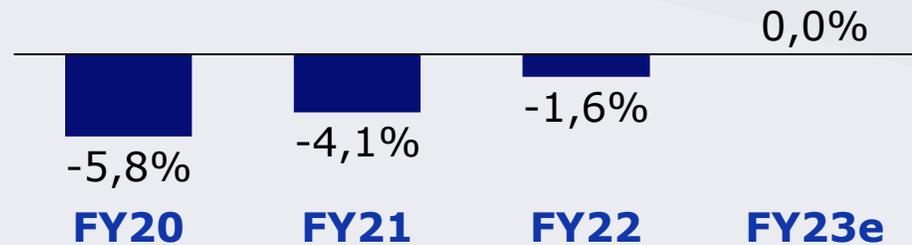
...and established profitability proof points



Food delivery business:
EBITDA as % of GMV



Platform business: adj.
EBITDA as % of GMV



Quick Commerce: Pioneering the next generation of delivery



Why we are structurally better positioned to win

We have the customers

We have the logistics

We have the data

Quick Commerce is complementary and synergistic to our Food Delivery business



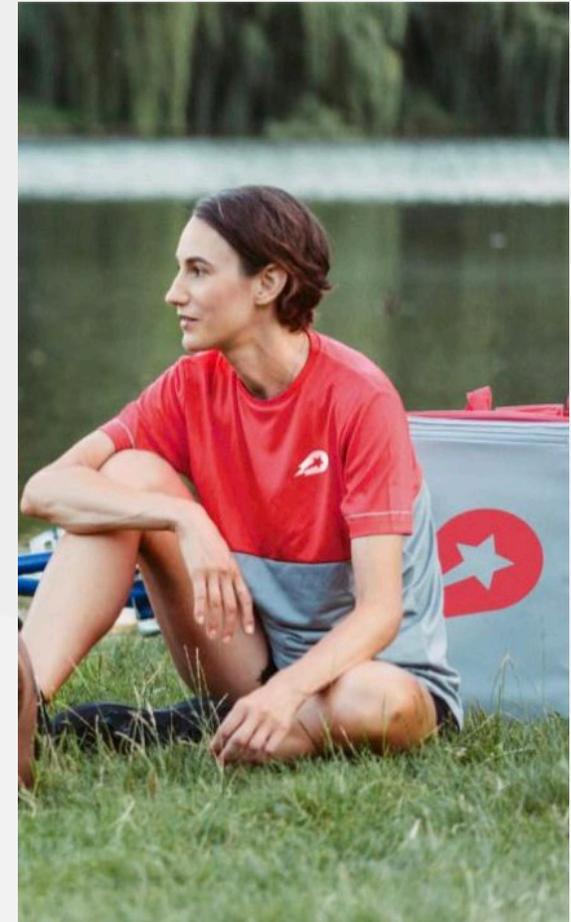
Growth

- Massive market opportunity
- More new customers and higher penetration
- Upselling opportunity / complementary offering
- Enhanced customer engagement driving higher order frequency
- Expanded coverage (new delivery areas)



Profitability

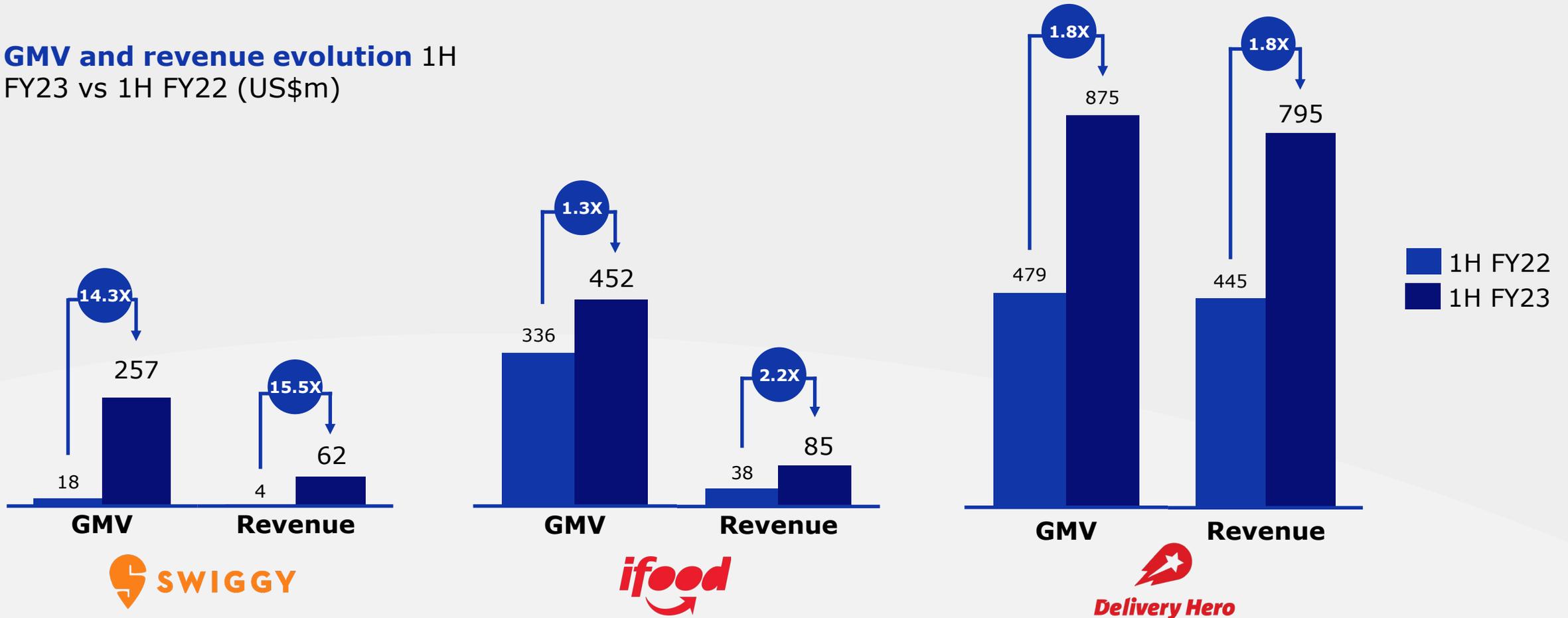
- Significant profit opportunity at scale
- Higher network density with decreased time to vendor
- Improved fleet utilisation
- Lower delivery costs and CPO
- Enlarged economies of scale



Our three core Food Delivery platforms are seeing this play out



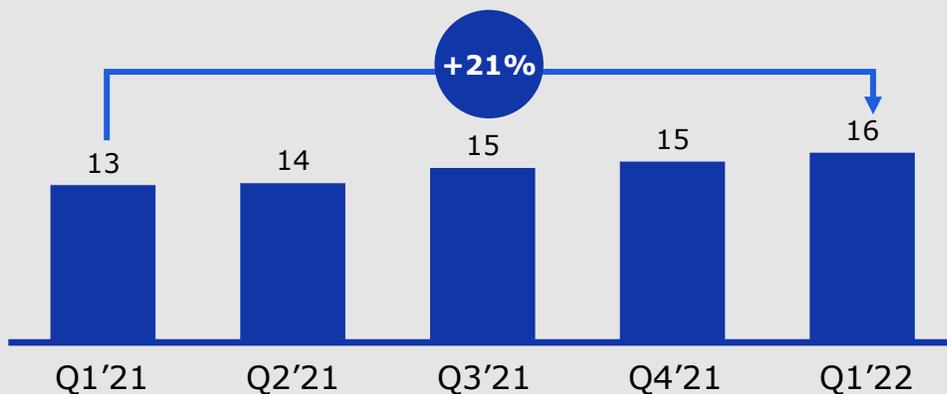
GMV and revenue evolution 1H
FY23 vs 1H FY22 (US\$m)



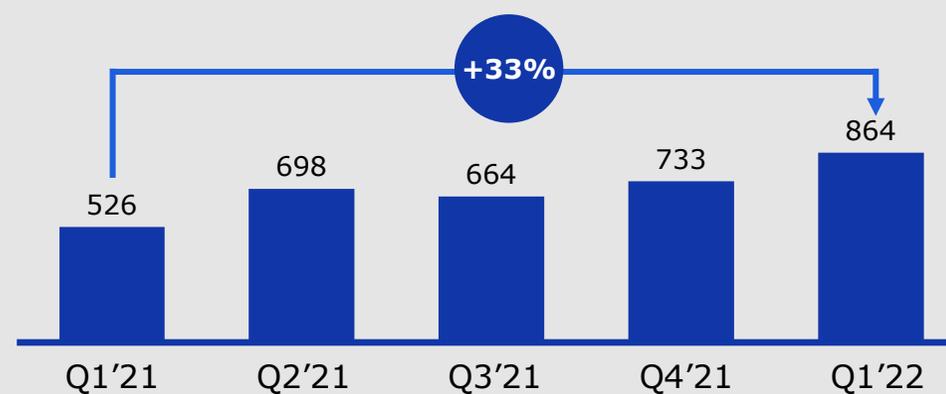
Note: For iFood, GMV and Revenue include Groceries Marketplace offering. iFood's revenue is gross revenue, i.e. before discounting.. For Delivery Hero and Swiggy, FY22 H1 refers to period January to June 2021 and FY23 H1 refers to period January to June 2022. DH Revenue is Segment revenue disclosed in H1 2022 financial statements and translated to USD using Prosus fx rates. Swiggy's Quick Commerce (Instamart) GMV includes delivery fees and revenue is consisted of product margin, delivery fees and other revenue

Dmarts: 7 best-in-class countries already at break-even

Average basket size (in €)



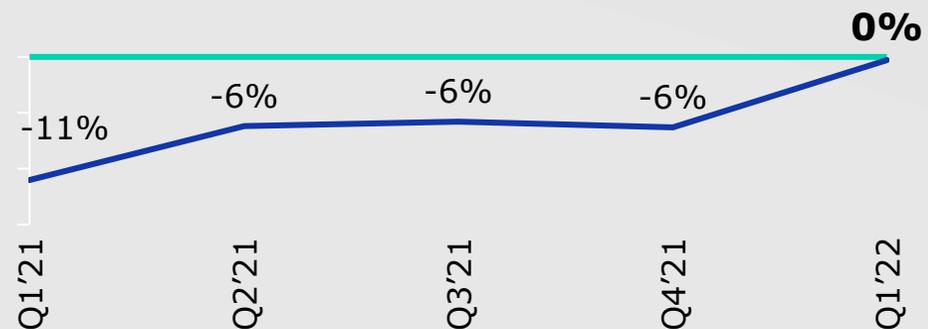
GMV per store (in €k)



Product margin (as % GMV)

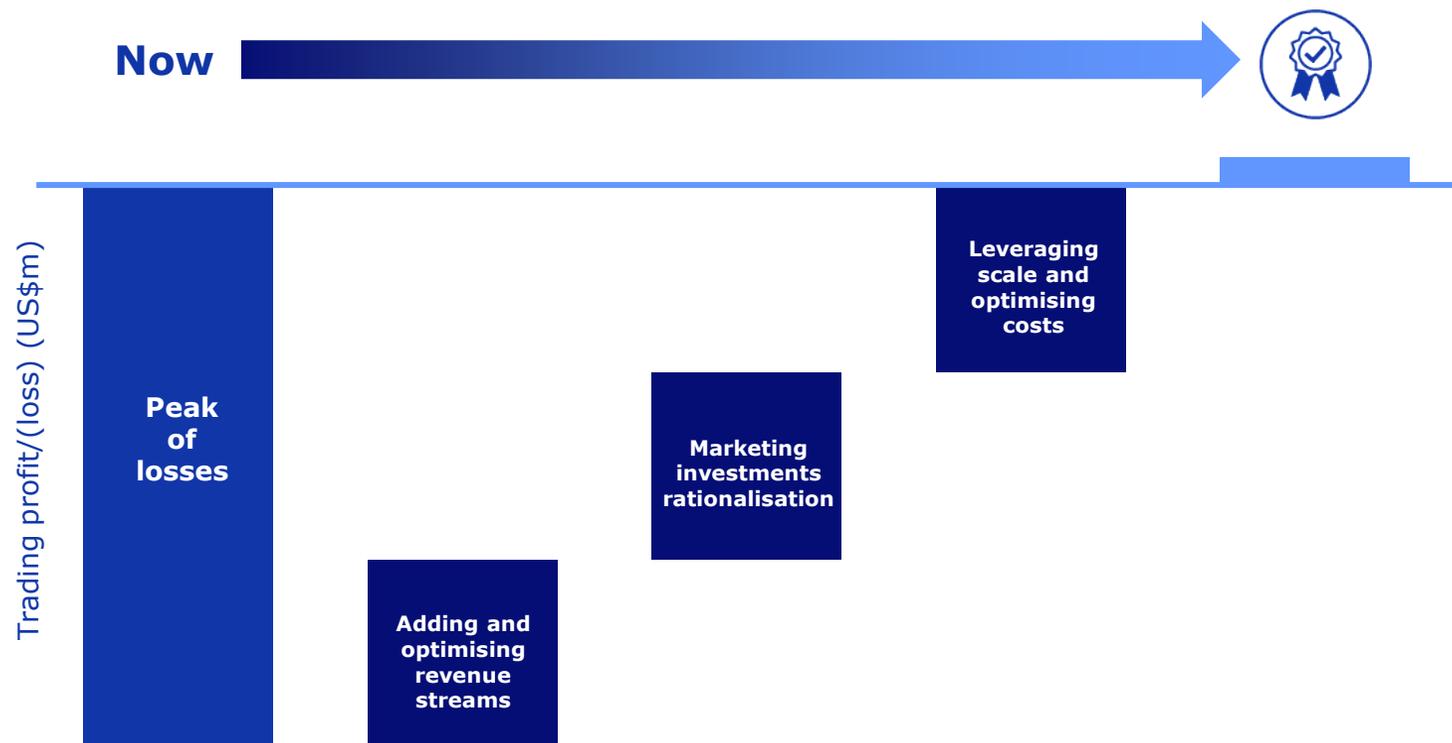


Adj. EBITDA margin (as % GMV)



Our path to profitability and then healthy margins...

Path to profitability



Margin ambition¹

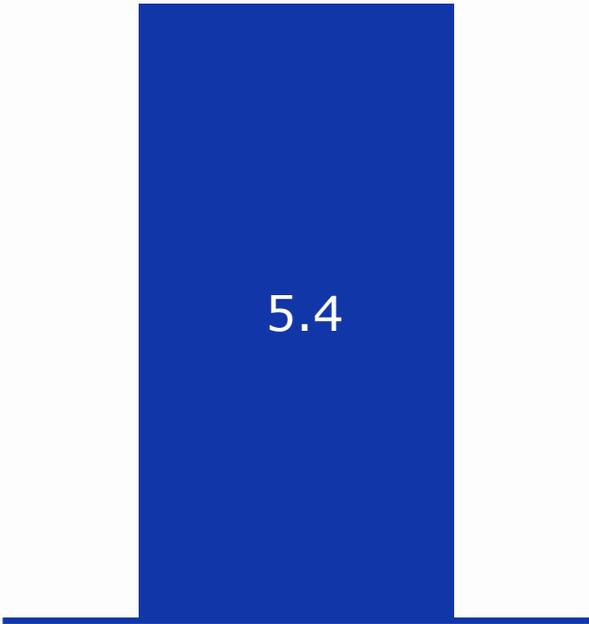


¹ Adj. EBITDA Margin as percentage of Net Revenue for iFood. Long-term and steady state margin ambition.

...should lead to significant value creation

Current iFood valuation

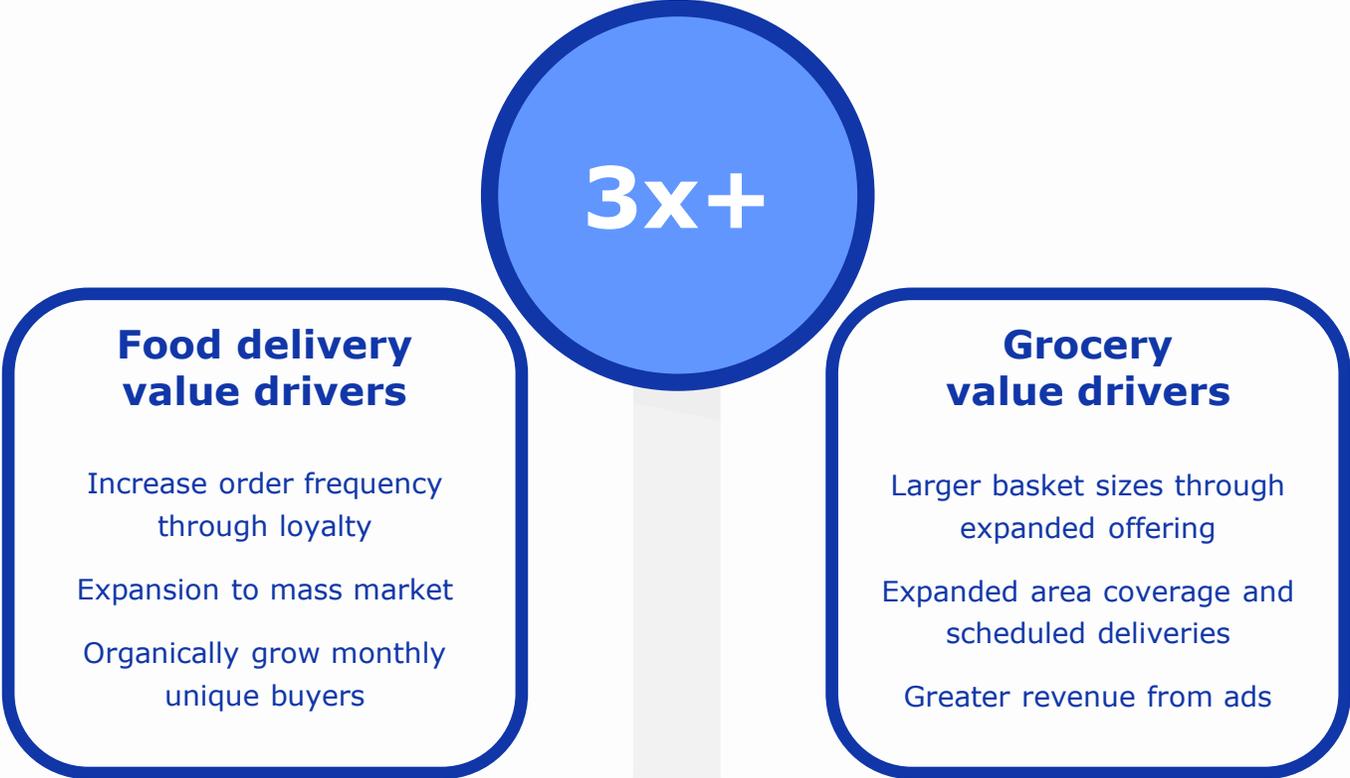
Net asset valuation (US\$bn)¹



5.4

Nov-22

5-year valuation ambition



3x+

Food delivery value drivers

- Increase order frequency through loyalty
- Expansion to mass market
- Organically grow monthly unique buyers

Grocery value drivers

- Larger basket sizes through expanded offering
- Expanded area coverage and scheduled deliveries
- Greater revenue from ads

¹ The estimated market valuation is based on recent transaction between Prosus and Just Eat Takeaway.



Fabricio Bloisi
CEO

Introducing
ifood





The BIG QUESTIONS

- ❓ Can Food Delivery be profitable?
- ❓ Will 1P work?
- ❓ Will 3P continue to grow?

DIVE BRIEF

Global food delivery companies struggle to reach profitability

Published Nov. 26, 2018



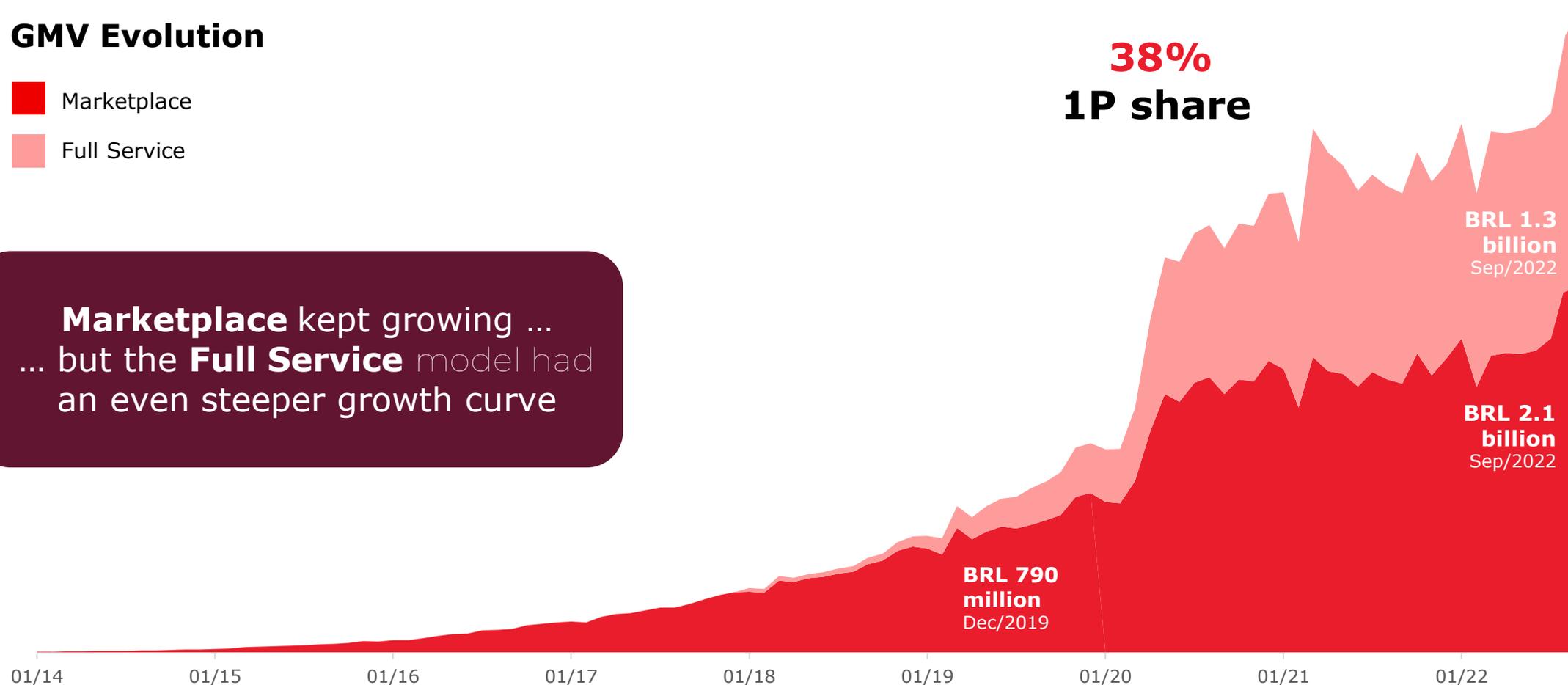
FOOD DELIVERY started as 3P, and in 2018 we started Full Service (1P)...



GMV Evolution

- Marketplace
- Full Service

Marketplace kept growing ...
... but the **Full Service** model had
an even steeper growth curve



...but we didn't stop there, and now iFood is much more than Food Delivery...

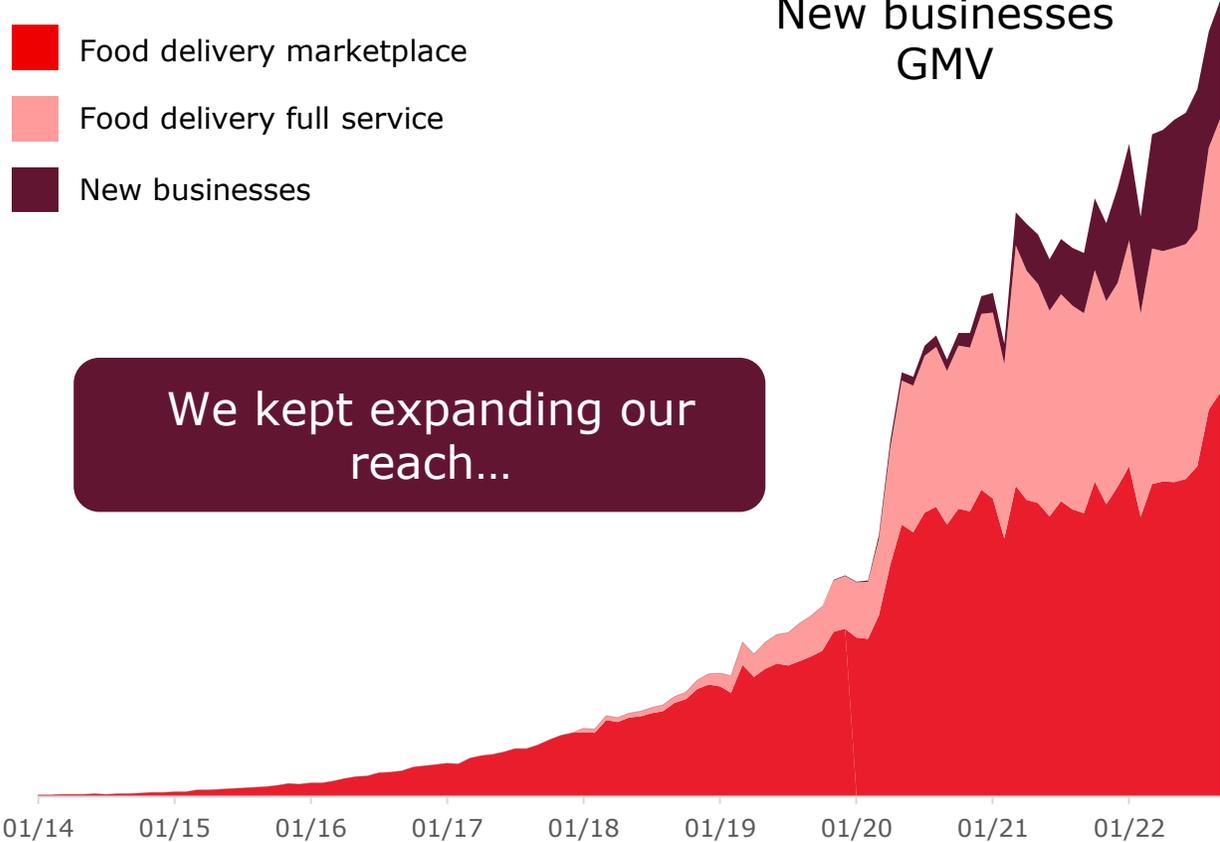


GMV Evolution

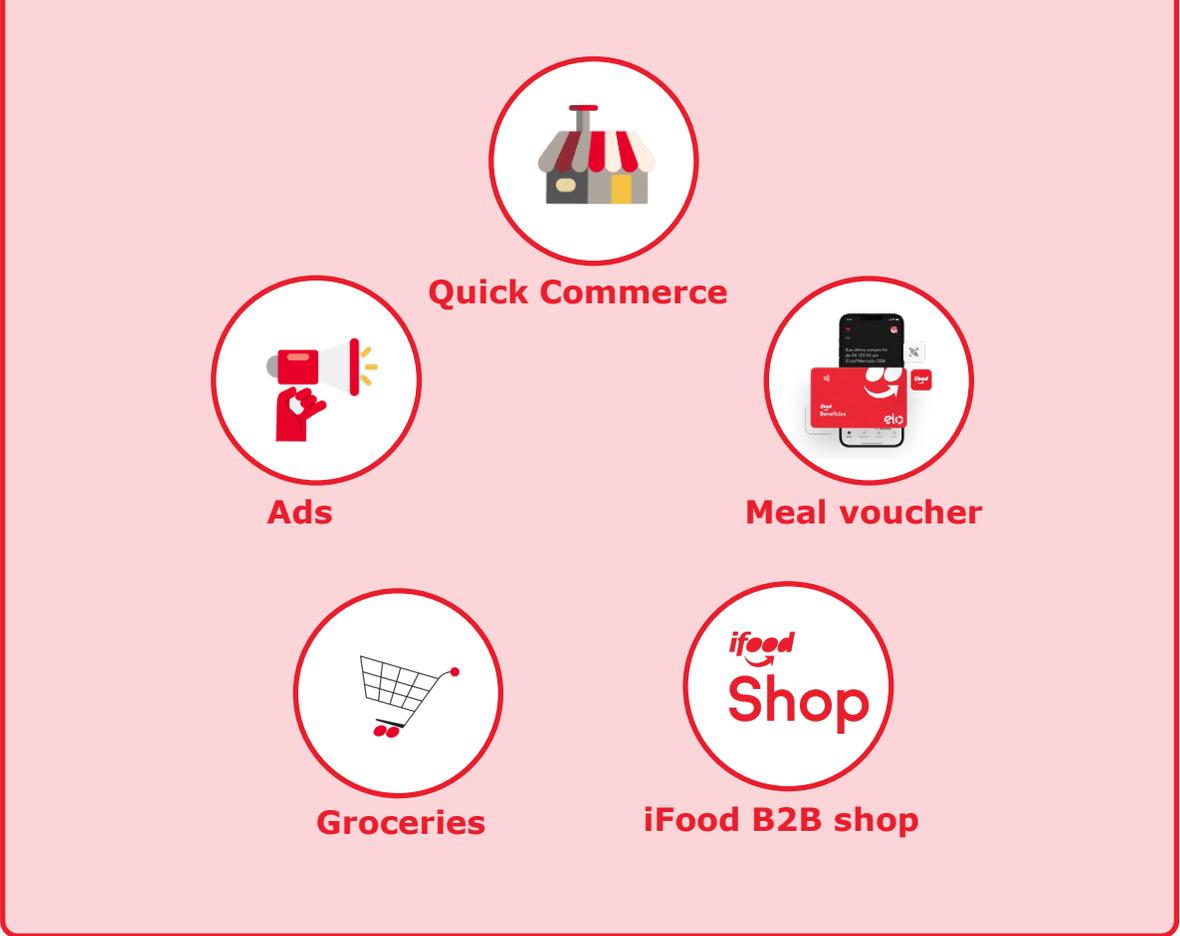
- Food delivery marketplace
- Food delivery full service
- New businesses

~15%
New businesses
GMV

We kept expanding our reach...



... adding new solutions to our ecosystem





Evolution



3P marketplace

High % margin
Limited TAM =
Limited supply
creates subpar UX

1



1P logistics

Unlock TAM with
expanded supply
Higher engagement
with better UX and
assortment

Good profit margin

2



New business

Applying 1P logistics to other
verticals

Unlock TAM with
nonfood items
Scale gains

3



Ecosystem

Expanding offer through
innovation

Building a **complete and
expanded ecosystem**

4

Disrupt
Supply Chain

Quick
Commerce

Shop

ESG

FOOD DELIVERY

Our scale positions us as a leading FoodTech company in Brazil

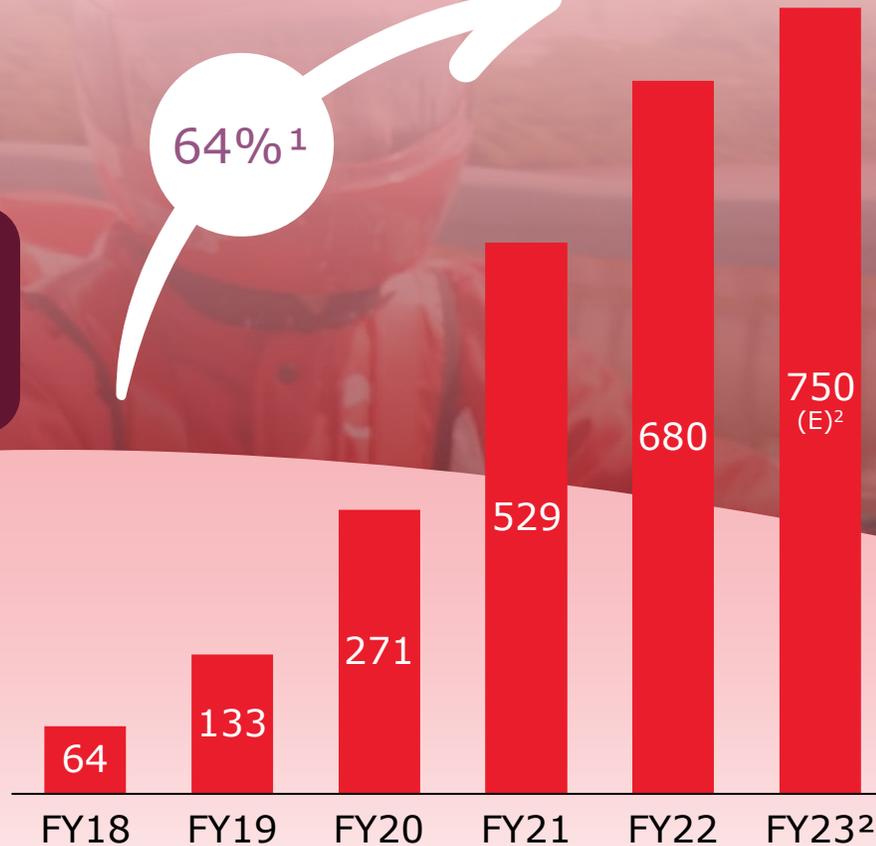


Delivering food to
+1600 cities

Impressive growth with logistics model unlocking more offerings and demand

64%¹

Food delivery orders
(million)



¹CAGR | ² 1H23 Actual + 2H23 Estimate

1P proved to be a successful bet

1P Benefits

- More partners
- More options to users
- Better delivery experience
- Logistic fleet as a key asset
- Profitability

iFood is Brazil's most loved brand, engaging with society through meaningful actions



iFood is the **MOST LOVED** brand of Brazilians...



Source: Net Love Score by Snaq (July 2022)

... and is widely recognised as a leading company

2022	Technology initiatives		
2021	Best customer experience		
2021	Innovative leadership (Fabrício Bloisi)		

The big question:
Could it be profitable?

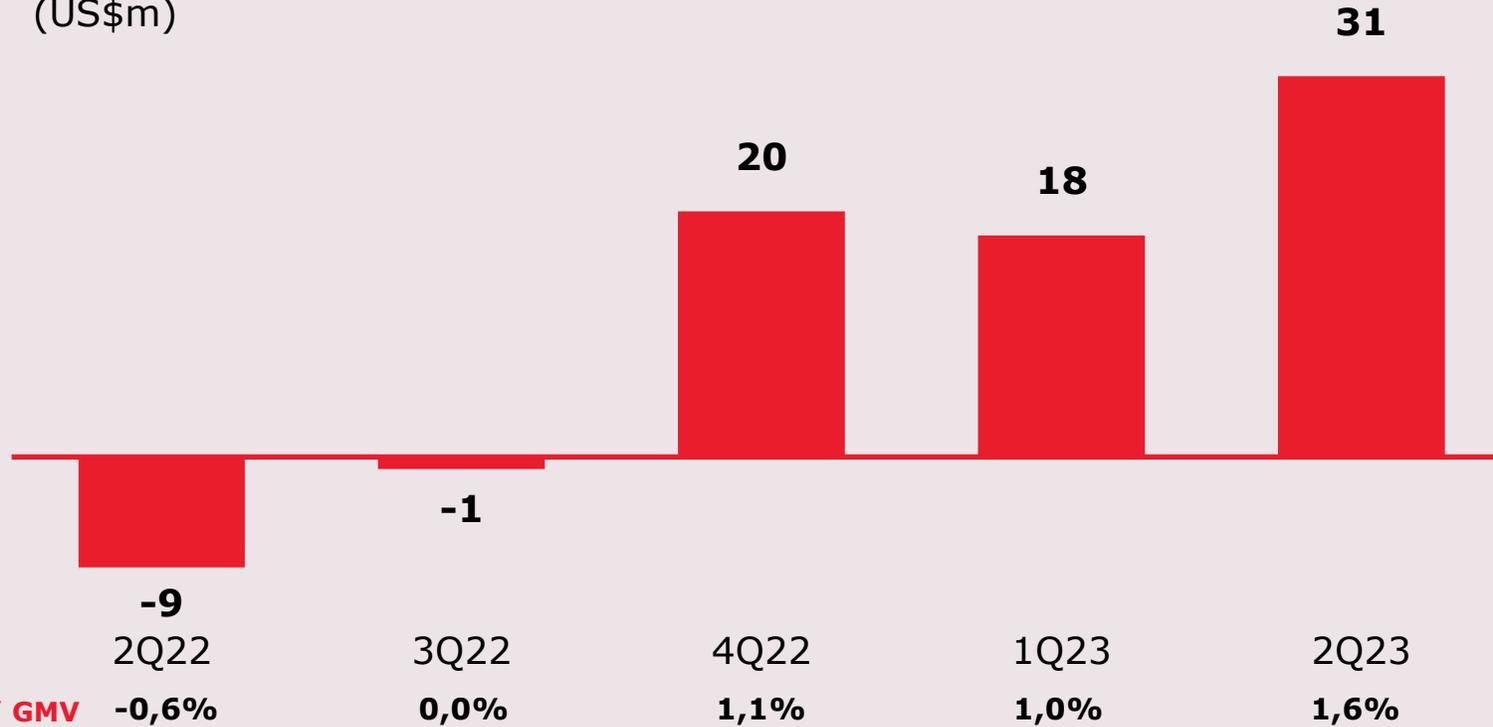




3P+1P profitability is scaling fast

Food delivery EBITDA

(US\$m)

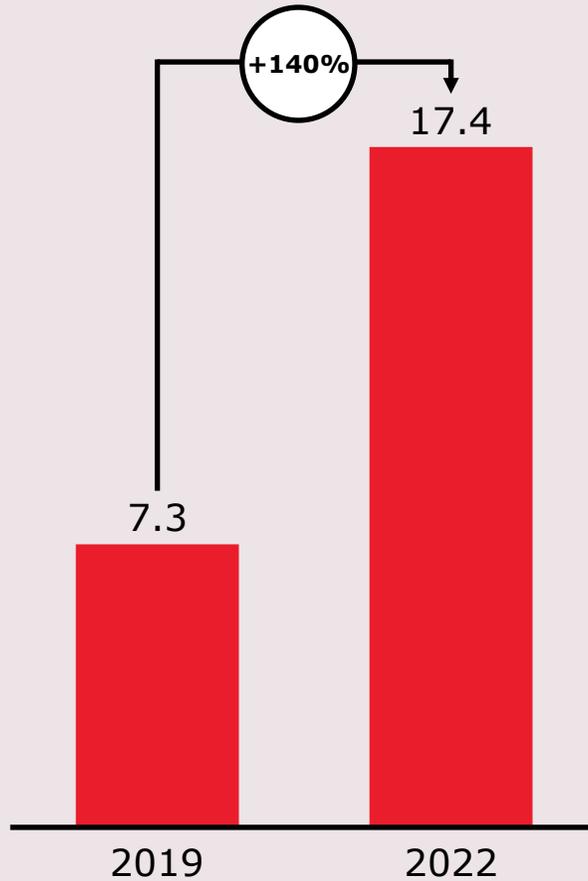


~10%
EBITDA margin

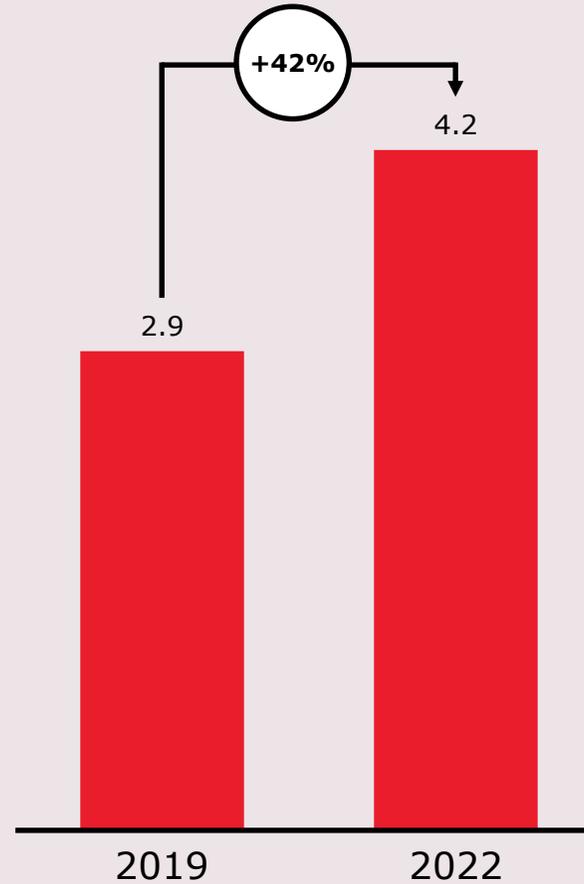
User metrics improving throughout the years as behaviour change



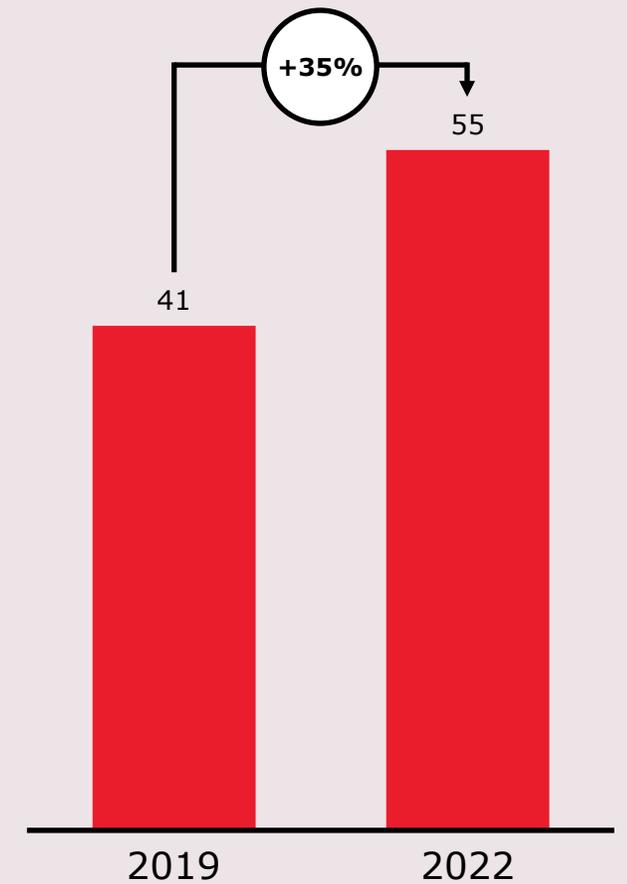
Monthly Unique Buyers
(million)



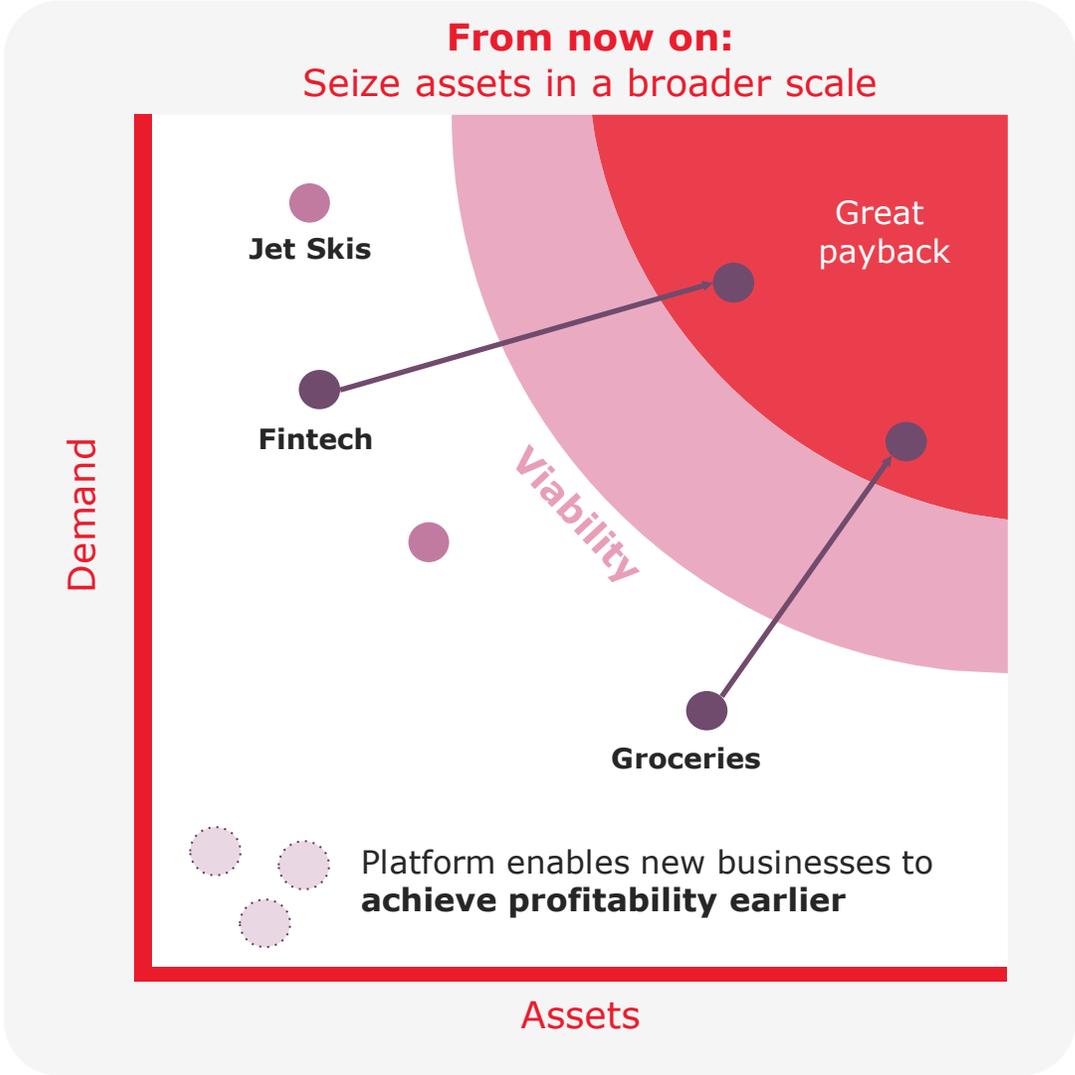
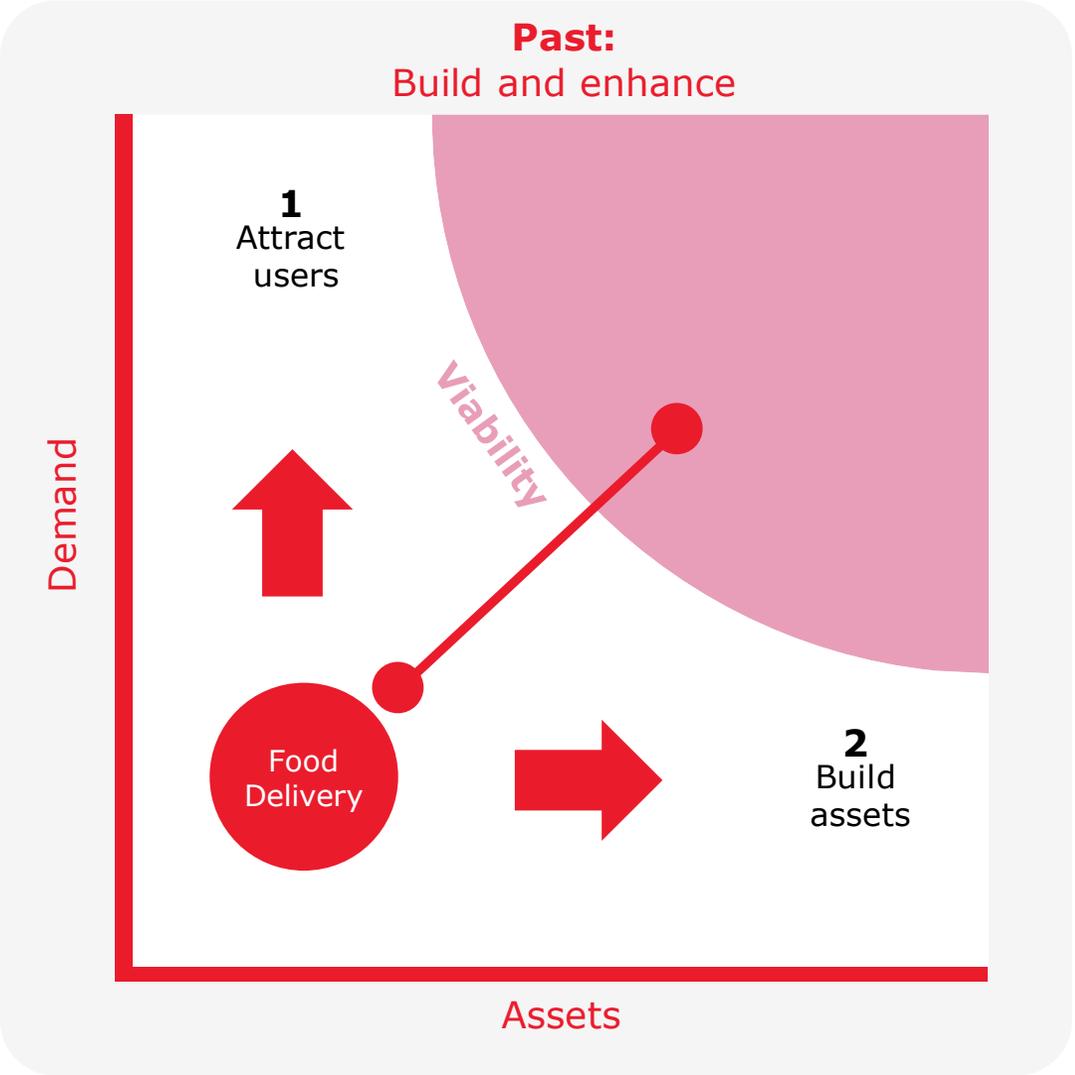
Monthly frequency
(times)



Average Order Value (AOV)
(BRL)

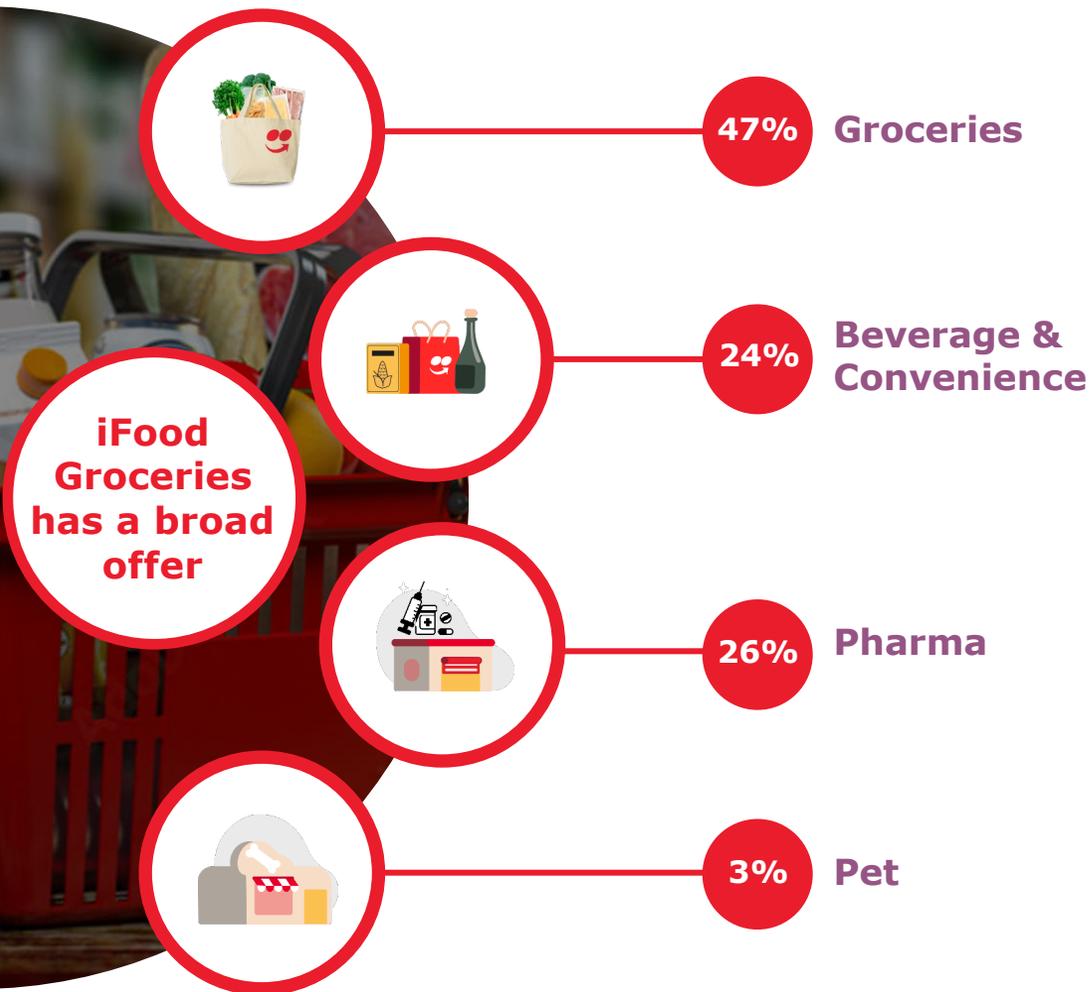


Our platform allows us to leverage the existing assets to shorten the path to profitability of new businesses

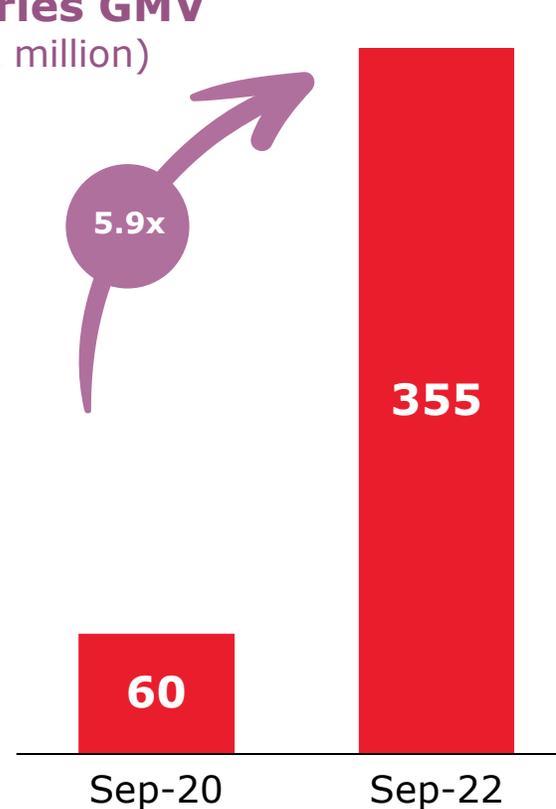


Groceries

Fast growing business leveraged by iFood's valuable assets



Groceries GMV
(BRL million)



Continuous growth with a good service level

70 NPS 911 cities 30k merchants



iFood operates through two models

	Marketplace	Quick Commerce
 Model	3P	1P
 Coverage	Vendors across the country	Main economic regions
 Offer	Large number of vendors across groceries, pharma, beverages, pet	Curated assortment targeting up to 6,000 SKUs
 Occasion	Weekly and Monthly Purchases	From Convenience to Monthly Purchases
 Speed	From 30 minutes to Scheduling	From 15 minutes to Scheduling



EBITDA existing users - mature cities (BRL unit per Order)



Potential to reach profitability sooner than expected

Expected break-even on existing users for all cities by **March 2023**

Groceries: Delivering through Quick Commerce

Providing an amazing customer experience



12 delivery time
(min)



0,5 broken orders
(%)



76 NPS
(#)

Quick Commerce: Stores are operated by iFood providing seamless logistics and optimised delivery time

Fintech

We are building a Fintech environment around our platform



Payments



BRL \$760m

of LTM
online
payment
revenue

mobile pay

32%

of iFood's
payout
is processed

Acquiring
payment
processing

Restaurants' bank



**+BRL
\$250m**

Assets under
management
(credit portfolio)



+1.5k

Number of
loans

Loans
Credit card
Insurance

Meal voucher



+650k

Issued
cards



+4k

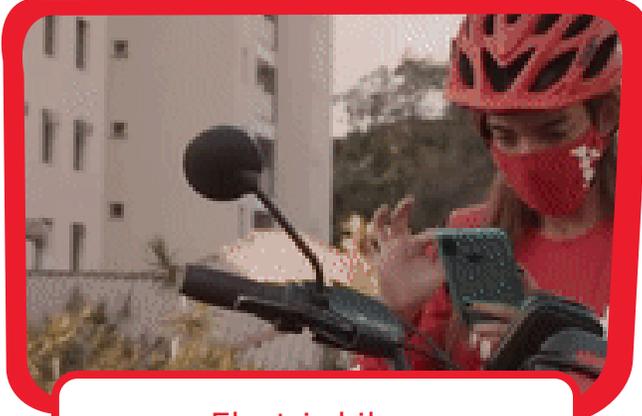
Companies

Meal voucher
multi-benefits
card

+366% YoY growth
GMV meal voucher

But iFood will not stop here, there is much more to come

Innovation driving future growth for iFood



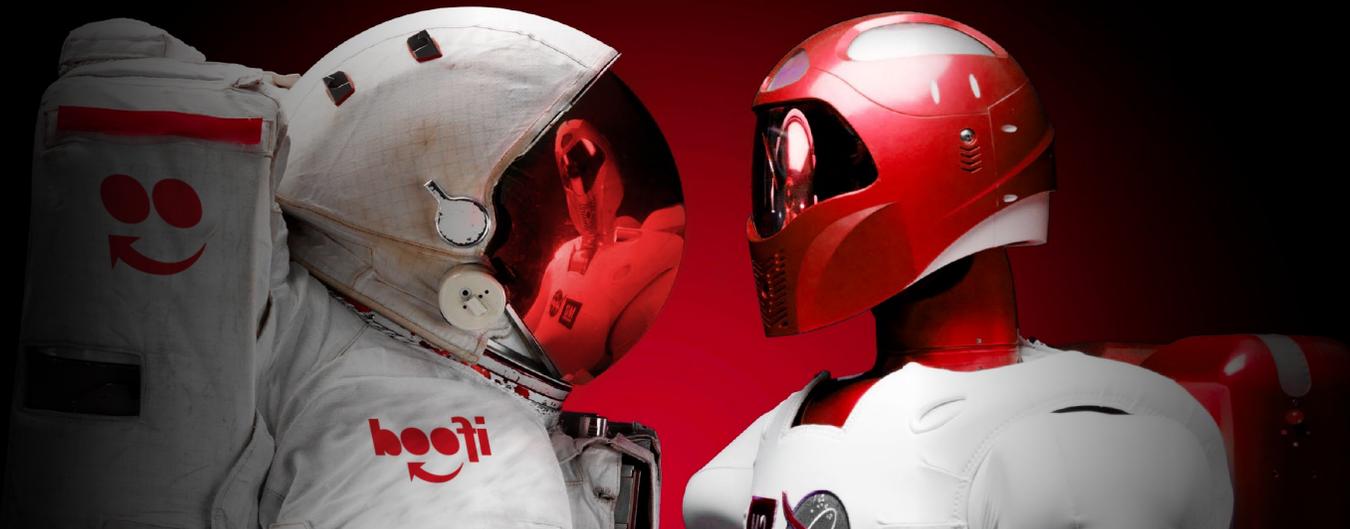
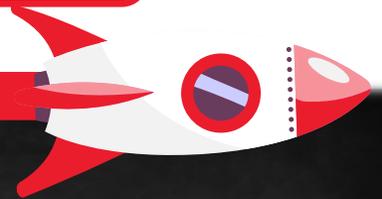
Electric bikes
for drivers



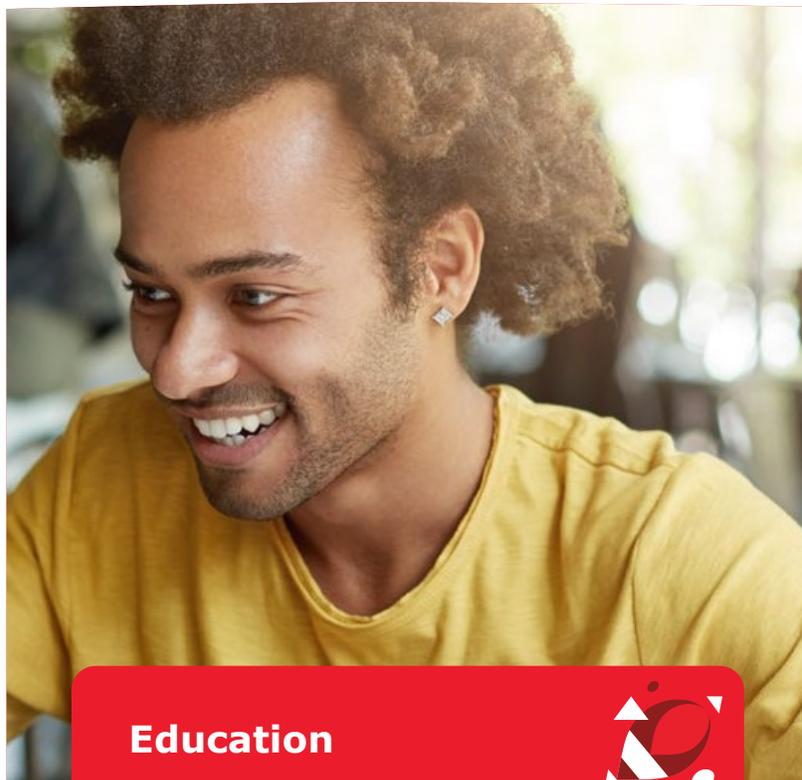
Automated and
sustainable delivery



First drone delivery
operation in Latin
America



iFood is feeding the future, creating a positive impact through Education, Environment and Inclusion



Education



Hunger for education

Create **opportunities** while **teaching** and applying **technology**

Impact **10 million people**
Raise **R\$2Bn** for tech education



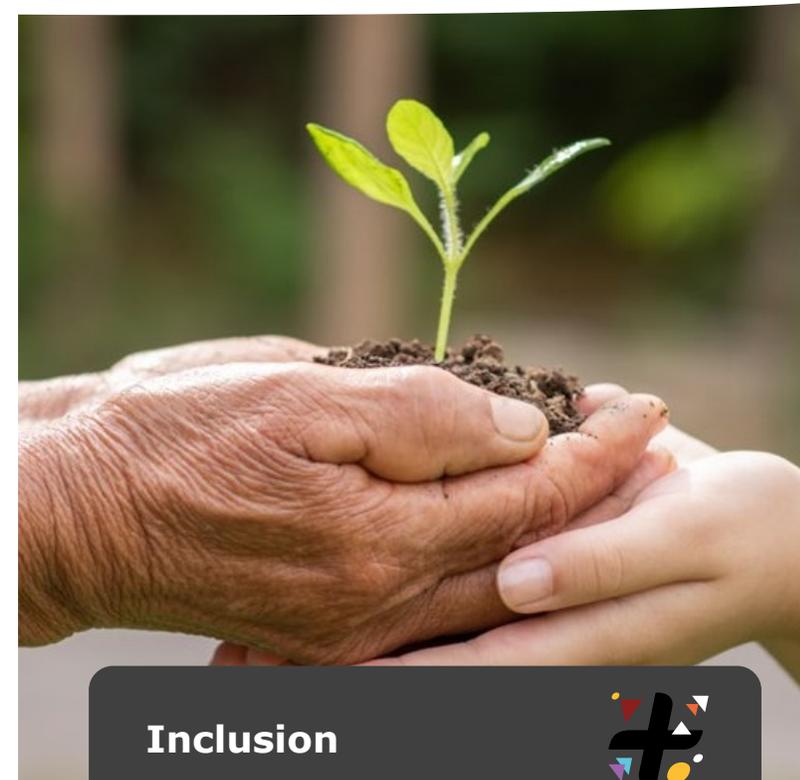
Environment



Change compensates

Reduce the impact of our deliveries on the environment **to zero**

We're already **carbon neutral**
By 2025, **zero plastic pollution** and **50% deliveries** through **clean modes**



Inclusion



Include those who need more

Help to **correct historical debts**
Using technology to **ensure food** and **reduce waste**

+6k tons of food distributed to more than **1.6m people in need**

iFood is on a successful path to deliver profitable growth

We're very confident!



Annual users

Leveraging our powerful user base

43m



Expected GMV for FY23

US\$ 9.5bn



Cost per order (MKT)

Cost aware and focused on optimising business

-26% YoY



EBITDA break-even consolidated

Oct 22





Thank you!

