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Strategic Product Portfolio Management and Global Value Creation

A Regulation Aware Governance Framework for Digital Platform Investment Portfolios

Master's thesis in Management and Economics of Innovation

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SUMMARY
Digital platform holding companies create value through more than capital allocation and market selection. Their performance also depends on whether ownership can be translated into effective governance and whether shared technological capabilities can move lawfully across jurisdictions with different data protection and artificial intelligence regimes. This thesis examines Prosus N.V., a global consumer internet investor spanning food delivery, fintech, classifieds, ecommerce, and travel, as a single embedded case study. Using public corporate disclosures, regulatory instruments, and academic literature, it asks how Prosus selects and prioritises portfolio opportunities (RQ1), how ownership structures shape governance depth and value creation (RQ2), and how regulation and digital sovereignty affect the integration of AI, data, and platform capabilities (RQ3).

The analysis finds that portfolio growth has been acquisition led and ecosystem oriented, while governance feasibility and regulatory exposure were historically underweighted at selection. Tencent serves as an external ecosystem and financial benchmark under minority influence, whereas iFood is a controlled operating platform. Governance depth tracks ownership position but is not determined by ownership alone. Byju's full write off followed interacting market, operating, financing, reporting, and governance failures. Prosus's minority position constrained monitoring and intervention but did not independently cause the collapse. Prosus's branded Large Commerce Model programme may create parenting advantage, although its architecture and portfolio wide performance effects are not established by public evidence.

The thesis develops four regulation aware governance tools: a two stage legal admissibility gate followed by two datum sensitive Pugh runs; a Portfolio Balance Model separating legal ownership, functional role, and economic exposure; a tiered Lifecycle Governance Trigger Framework linked to observable events and feasible rights; and a Regulatory Exposure and Capability Governance Logic that selects centralised, modular or federated, locally autonomous, or ring fenced designs only after legality is established. These qualitative risk and diligence filters feed a formal merger and acquisition stage gate and financial underwriting process. They do not replace valuation, investment committee judgement, or transaction specific legal advice. Together they form a Three Dimensional Portfolio Governance Framework spanning commercial and technical, architectural, and sovereign and regulatory dimensions.

Keywords: product portfolio management, corporate governance, digital platforms, value creation, modularity, AI regulation, digital sovereignty, Prosus, fintech, platform economics

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Declaration of AI-Assisted Technologies

During the preparation of this work, the authors used ChatGPT, Copilot, and Claude AI to improve the language and readability of the manuscript. After using this tool/service, the authors reviewed and edited the content as needed and take full responsibility for the content of the published thesis report.

List of Acronyms

Below is the list of acronyms used throughout this thesis, listed in alphabetical order.

AI	**Artificial Intelligence**
CFIUS	**Committee on Foreign Investment in the United States**
DPDPA	**Digital Personal Data Protection Act** (India, 2023)
EU	**European Union**
FIRRMA	**Foreign Investment Risk Review Modernization Act** (US, 2018)
GDPR	**General Data Protection Regulation** (EU, 2016)
IP	**Intellectual Property**
LCM	**Large Commerce Model**: Prosus's branded specialist commerce AI programme; public disclosures do not establish a single unified model architecture
LGPD	**Lei Geral de Proteção de Dados** (Brazil, 2018)
MLOps	**Machine Learning Operations**
NAV	**Net Asset Value**
PAFACA	**Protecting Americans from Foreign Adversary Controlled Applications Act** (US, 2024)
PPM	**Product Portfolio Management**
RQ	**Research Question**

Nomenclature

Symbol / Term	Definition
Portfolio company	A digital platform business in which Prosus holds an equity stake
Subsidiary	A portfolio company in which Prosus holds a majority or full ownership stake
Minority investment	An equity stake below 50%, limiting direct operational control
Governance depth	The degree of strategic and operational influence exercised by Prosus over a portfolio company
Modular architecture	A system design in which components can be separated, recombined, or governed independently
Digital sovereignty	A regulatory regime asserting national jurisdiction over data, algorithms, and digital infrastructure
Value extraction	The realisation of financial returns from a portfolio investment through dividends, buybacks, or divestment
Value creation	The generation of economic, strategic, or operational value within or across portfolio companies

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1

Introduction

Digital platform companies have become increasingly important in global consumer markets because they connect users, merchants, service providers, and technology infrastructures across multiple sectors. Unlike traditional firms that often compete through linear value chains, platform-based firms create value through network effects, ecosystem participation, data-driven services, and scalable digital infrastructure [1, 2]. This has made digital platform businesses attractive to global investment groups seeking exposure to high-growth markets such as food delivery, fintech, online classifieds, ecommerce, travel, and artificial intelligence-enabled services.

At the same time, managing a portfolio of digital platform companies has become more complex. Value creation is no longer limited to selecting promising investments or allocating capital efficiently, it increasingly depends on whether a parent company can support portfolio firms through shared technological capabilities, governance mechanisms, artificial intelligence systems, and cross-platform learning [3, 4]. This is particularly relevant for Prosus N.V., a global consumer internet group and technology investor with a portfolio spanning multiple sectors and jurisdictions [5]. Prosus represents an important case, as it combines features of both an investment holding company and an operating technology group. Prosus originated from Naspers's international internet assets, while Naspers's Tencent investment became the group's principal financial anchor and that legacy created capacity for broader portfolio investment, but it also left Prosus's valuation and strategic position closely connected to a minority stake in an externally controlled platform [5–7]. Its portfolio includes companies with different ownership structures, ranging from wholly owned subsidiaries and majority-controlled firms to minority investments [5, 8]. These ownership differences affect the degree of governance influence Prosus can exercise across its portfolio [9, 10]. In addition, Prosus's increasing emphasis on artificial intelligence and ecosystem integration raises important questions about how shared capabilities can be developed and governed across legally separate companies operating in different regulatory environments [11, 12].

This thesis therefore examines Prosus as case of strategic product portfolio management and global value creation in digital platform investment portfolios and it focuses on how portfolio opportunities are selected, how governance structures shape value creation, and how regulation and digital sovereignty affect the integration of data, artificial intelligence, and platform

capabilities across borders.

1.1 Background and Motivation

Digital platform portfolios differ from traditional product portfolios because their value is often generated through interaction between users, data, algorithms, and ecosystem participants. In such settings, the parent company's role is not limited to financial ownership. It may also involve shaping strategic direction, supporting technology development, enabling capability sharing, and coordinating portfolio companies where synergies can be created.

Prosus provides a relevant setting for studying this phenomenon. The company has built a global portfolio across digital sectors such as food delivery, fintech, online classifieds, ecommerce, and travel [5]. These businesses operate in different markets, but they share several underlying characteristics. They are data-intensive, platform-based, and increasingly dependent on artificial intelligence and digital infrastructure. This creates opportunities for Prosus to generate value not only through individual company growth, but also through cross-portfolio learning and shared capabilities [11, 12].

However, the same factors that make digital portfolios valuable also create governance challenges. Cross-portfolio integration often requires access to data, technological infrastructure, and operational influence. These conditions are not equally available across all portfolio companies. A wholly owned subsidiary can usually be integrated more deeply than a minority investment [9, 10]. Similarly, a company operating in a strict regulatory environment may face limits on how data can be transferred, processed, or used in parent-level AI systems [13–16]. This creates a strategic tension. On one hand, Prosus can potentially strengthen its portfolio by building shared AI capabilities, creating ecosystem linkages, and supporting portfolio companies through active governance. On the other side, ownership limitations, regulatory fragmentation, and digital sovereignty concerns may restrict how far this integration can go. Understanding this tension is important because it reflects a broader challenge faced by global digital investment firms on how to create value across a portfolio while maintaining governance flexibility and regulatory compliance.

The motivation for this thesis is therefore to examine how strategic product portfolio management must adapt when applied to global digital platform portfolios. Traditional portfolio tools are useful for evaluating opportunity selection and resource allocation [17, 18], but they may not fully capture the governance, regulatory, and architectural constraints that shape modern digital value creation [19, 20]. This thesis addresses that gap by developing a regulation-aware governance perspective using Prosus as the focal case.

1.2 Aim and Objectives

The aim of this thesis is to examine how Prosus manages strategic product portfolio decisions, governance structures, and value creation across a global digital platform investment portfolio under increasing regulatory and digital sovereignty constraints.

The thesis focuses on three connected dimensions which are portfolio opportunity selection, governance depth, and cross-portfolio capability integration. By analysing these dimensions together, the study aims to understand how Prosus can create value across its portfolio while managing the limits imposed by ownership variation, regulatory fragmentation, and digital platform architecture.

The objectives of this thesis are analyse how Prosus selects, prioritises, and balances opportunities across its digital platform portfolio, examine how ownership structures affect governance depth, control rights, and intervention capacity across Prosus's portfolio companies, investigate how data regulation, digital sovereignty, and foreign investment screening influence Prosus's ability to integrate AI, data, and platform capabilities across jurisdictions and to develop practical governance tools that support regulation-aware portfolio decision-making in digital platform investment contexts.

1.3 Research Questions

Based on the aim and objectives, the thesis is guided by the following research questions:

RQ1: How does Prosus select and prioritise opportunities across its digital platform portfolio? This question examines the logic through which portfolio opportunities are identified, screened, and allocated resources. It focuses on strategic fit, portfolio balance, market attractiveness, technical feasibility, and the role of platform-based growth opportunities.

RQ2: How do ownership structures shape governance depth and value creation across Prosus's portfolio companies? This question investigates how different ownership arrangements affect Prosus's ability to monitor, intervene, and influence portfolio companies. It considers the differences between wholly owned subsidiaries, majority-controlled firms, and minority investments, and how these differences shape parenting advantage and governance effectiveness.

RQ3: How do regulatory constraints and digital sovereignty affect Prosus's ability to integrate AI, data, and platform capabilities across its portfolio? This question focuses on the tension between cross-portfolio capability integration and external regulatory constraints. It examines how data localisation, AI regulation, foreign investment screening, and digital sovereignty may limit or reshape the way Prosus shares capabilities across jurisdictions.

1.4 Scope and Delimitations

This section defines the study boundaries by unit of analysis, portfolio coverage, time period, jurisdiction, and evidence base. The thesis evaluates strategic product portfolio management at the Prosus group level. It does not assess each portfolio company as a standalone business case, provide a valuation model, or claim that observed outcomes were caused by Prosus ownership.

The unit of analysis is Prosus at the group level, with selected portfolio companies including iFood, OLX Group, PayU, eMAG, and Despegar treated as sub-units where they illuminate governance variation, regulatory exposure, or capability interdependence [5]. Tencent is analysed as an external ecosystem and financial benchmark because of its dominant contribution to group net asset value, but not as a Prosus-controlled operating platform. Prosus holds only a minority stake of approximately 23.5% with limited operational influence [21].

The study period covers publicly available data and legal materials available through July 2026, with regulatory analysis anchored to the enforcement conditions and legislative status effective at the relevant assessment date [14, 22]. The four theoretical frameworks applied are Ulrich and Eppinger's product planning process [17], Wheelwright and Clark's aggregate project planning [18], Grant's parenting advantage and Better-Off Test [3], and digital sovereignty and AI regulation literature are used as analytical lenses, not objects of critique. The thesis does not aim to test or extend these frameworks theoretically. It applies them to produce four qualitative risk and diligence frameworks that enhances the process, but do not replace, formal financial underwriting. An Opportunity Screening Matrix, a Portfolio Balance Model, a Lifecycle Governance Trigger Framework, and a Regulatory Exposure and Capability Governance Logic.

The geographical scope spans the jurisdictions in which Prosus's major portfolio companies operate, with focused regulatory analysis on the European Union, India, and Brazil given their materially distinct data protection and AI governance regimes.

1.5 Thesis Outline

The thesis is structured into eight chapters. Chapter 1 introduces the background, motivation, aim, research questions, scope, delimitations, and overall structure of the thesis. Chapter 2 develops the theoretical framework. Chapter 3 presents the case context of Prosus N.V. Chapter 4 explains the research methodology. Chapter 5 presents the analysis. Chapter 6 develops the practical frameworks derived from the analysis. Chapter 7 discusses the broader implications of the findings. Chapter 8 concludes the thesis.

2

Theoretical Framework

This chapter establishes the theoretical foundation for analyzing the strategic opportunity selection, governance, and lifecycle management of digital platform portfolios. The framework bridges product development methodologies with corporate strategy and regulatory analysis. It is structured into four primary domains which are Product Portfolio Management, establishing how investments are selected and balanced, Platform Architecture and Governance, defining how value is managed and orchestrated, Intellectual Property (IP) Modularity, examining the architectural constraints of value extraction and Digital Sovereignty, outlining the geopolitical and regulatory boundaries shaping cross-border technology portfolios.

2.1 Product Portfolio Management

To evaluate how digital platform operators transition from passive investors to active product orchestrators, it is necessary to examine the mechanisms of opportunity selection and resource allocation.

2.1.1 Product Planning and Opportunity Screening

Concept selection is widely recognised in the product development literature as a critical stage in narrowing early stage ideas into viable design directions. Ulrich and Eppinger [17] characterise it as an iterative process in which alternative concepts are evaluated against customer needs and other relevant criteria, enabling a structured comparison of their relative strengths and weaknesses. This framing positions concept selection not simply as a screening exercise, but as a mechanism for reducing ambiguity during decision making. Within this process, the Pugh Concept Selection Matrix is often adopted as a comparative tool because it allows alternatives to be assessed systematically against a baseline datum across multiple criteria. Frey et al. (2009) [23] reinforce the value of this approach by showing that model based convergence within the Pugh method can help reduce cognitive bias and improve alignment among experts in technically uncertain environments. They also defend comparison and iterative convergence rather than cardinal weighting. The implication for M&A is a strict boundary and Pugh screening can expose weak concepts, unresolved evidence, and datum sensitivity, but it cannot price an

acquisition or establish returns. It must hand the surviving design into transaction-specific DCF (Discounted cash flow), IRR (Internal Rate of Return), multiple, liquidity, and scenario analysis. Taken together, these studies suggest that concept selection methods are most effective when they support both analytical comparison and collective judgement without claiming to replace financial underwriting.

2.1.2 Aggregate Project Planning and Portfolio Classification

Following the selection of individual opportunities, the literature shows that organisations must also address the broader question of how resources are distributed across the portfolio as a whole. Wheelwright and Clark [18] provide an early and influential framework through Aggregate Project Planning, classifying projects into breakthrough, platform, derivative, and research and development initiatives. Within this model, platform projects create the core architecture or enable infrastructure on which future developments can build, whereas derivative projects extend that foundation through more localised or incremental applications. Subsequent literature has adapted this logic to digital service innovation and software ecosystems, where the pace of technological change and market uncertainty places greater pressure on how resources are allocated over time. Si et al. (2022) [24] argue that effective innovation portfolio management depends not only on analytical project selection, but also on dynamic and agile resource allocation that can respond to changing conditions. These studies suggest that portfolio balance is not simply a matter of variety, but of strategic interdependence between foundational investment and downstream application. In the context of a global digital conglomerate, this means that major investments in artificial intelligence or shared infrastructure must be supported by derivative consumer applications that can leverage that common base across different markets. Where this balance is weak, organisations risk a “platform deficit,” in which resource intensive derivative applications expand without a sufficiently scalable technological foundation to sustain them.

2.2 Corporate Strategy and Diversification

The central to this thesis is whether Prosus can use its financial capacity and portfolio positions to act as an active portfolio parent by building shared capabilities that improve portfolio outcomes without assuming governance rights it does not possess. A parent company’s role in a diversified portfolio is not necessarily settled by ownership alone. The literature reviewed in this section moves from the question of whether diversification is justified at all, through the better-off test and the resource-sharing logic that determines when it is, to the specific make-or-buy decision that determines how a firm expands its footprint once diversification is justified. Both strands converge on the same conclusion relevant to Prosus, a corporate parent earns the right to hold a diversified portfolio only by demonstrably improving what it owns, and the mechanism for that improvement whether shared capability, capital discipline, or coordinated market entry is a

strategic choice rather than an automatic consequence of scale [3, 25, 26].

2.2.1 The Better-Off Test and Parenting Advantage

Diversification has been an important part of corporate strategies, however, it introduces substantial managerial complexity without guaranteeing value creation, multi-business firms must justify why separate business units should be held under a single parent structure.

Porter (1987) [25] addresses this issue through the better-off test, which argues that businesses within the same firm should be more valuable together than they would be on their own. In other words, corporate ownership should lead to real performance improvements rather than simply grouping unrelated activities. Porter also points out that many diversification strategies fail to meet this condition, creating additional complexity without corresponding benefits.

While the better-off test defines when diversification creates value, Grant [3] explains more clearly how this value can emerge. According to Grant, diversification can be beneficial when firms are able to share resources and capabilities across business units, creating economies of scope and improving efficiency. These benefits may come from shared technologies, common infrastructure, or the transfer of knowledge and managerial expertise. At the same time, such advantages depend on meaningful links between units. Without these linkages, diversification may only increase coordination costs.

This leads to the idea of parenting advantage, which focuses on the role of the corporate parent. A parent firm creates value only if it can improve the performance of its business units more effectively than another owner could. This requires capabilities such as better capital allocation, strategic guidance, and coordination. In global digital platform portfolios such as Prosus, this is especially relevant, as value increasingly depends on shared data, artificial intelligence, and platform knowledge. However, ownership structures and regulation may limit integration, meaning that parenting advantage depends on both internal capabilities and external conditions.

2.2.2 Build vs. Buy Strategies

A key strategic decision for diversified firms is how to expand and organize activities across the value chain. This is often described as the build versus buy decision, whether a firm should develop capabilities internally or rely on external market transactions. Rather than being only an operational issue, this decision is closely related to the boundaries of the firm and the way it creates and captures value across its portfolio. According to Grant [3] in strategic management, organisations have to choose whether certain functions should be undertaken within the organisation (“make”) or outside the organisation (“buy”), depending on the efficiency of internal coordination compared to executing transactions through the market mechanism.

Firms may choose to build capabilities internally to gain greater control over critical activities,

improve coordination across stages of production, and protect strategic resources. Internal development is especially valuable when activities are highly interdependent and require close alignment. However, these benefits often come with higher administrative complexity and lower flexibility.

By contrast, firms may choose to buy capabilities through external sourcing, partnerships, or acquisitions in order to benefit from specialization, lower costs, and adaptability. This is particularly useful in dynamic environments where speed and flexibility matter. However, external arrangements may also create coordination problems, dependency, and reduced control.

For this reason, build versus buy is not a simple binary choice. Firms can also use hybrid forms, such as alliances, joint ventures, or long-term contracts, which balance control and flexibility. In global digital platform portfolios such as Prosus, these choices are especially important, as firms must balance rapid expansion, coordination, governance, and long-term value creation.

2.3 Governance Theory

Two distinct questions run through the governance literature reviewed here, and the thesis keeps them separate throughout. What formal rights does an ownership position confer? and separately, how much of that formal capacity is actually exercised through monitoring and intervention? Treating ownership percentage as a direct proxy for governance depth, is the analytical error this section is built to avoid, and the distinction carries through directly into the ownership-tier analysis in Chapter 5.

2.3.1 Ownership Structures and Control Rights

Ownership structures are central to corporate governance because they determine how control rights are distributed within a firm. Ownership is not only a financial matter, it also shapes the extent to which an investor can influence strategic decisions, allocate resources, and affect the direction of a company. In multi-business firms and investment portfolios, differences in ownership structures can therefore lead to major differences in the level of control exercised across business units.

This relationship is closely connected to the theory of the firm. Jensen and Meckling [9] show that when ownership and control are separated, conflicts of interest may arise between managers and shareholders. These agency problems underline the importance of ownership as a mechanism for aligning incentives and ensuring that managerial decisions remain consistent with shareholder interests. Ownership should therefore be seen not only as a financial claim, but also as an important source of control rights.

Control rights refer to the ability to make or influence key decisions, such as strategic direction, investment priorities, and managerial appointments. In general, higher ownership stakes provide

stronger influence over governance structures and allow more direct involvement in decision-making. Whereas, minority ownership often limits formal control, requiring investors to rely on board representation, contractual arrangements, or informal influence.

An important implication is that ownership exists on a spectrum rather than as a simple distinction between control and non-control. Firms may hold wholly owned subsidiaries, majority stakes, or minority positions, each associated with different levels of authority. In global digital platform portfolios such as Prosus, this is especially relevant. Varying equity stakes allow the firm to balance control, flexibility, and risk. As a result, ownership structures shape not only financial exposure, but also the scope and effectiveness of control rights across the portfolio.

2.3.2 Intervention Capacity and Monitoring

Ownership establishes formal governance capacity, but monitoring and intervention determine whether that capacity affects managerial conduct. Monitoring comprises access to timely information, evaluation of performance and resource allocation, and escalation when agreed thresholds are breached. Intervention capacity extends this function by enabling an investor to translate evidence into board challenge, reserved matter decisions, management changes, financing conditions, or exit.

Jensen [10] locates governance failure in weak internal control systems that allow managerial discretion to persist despite shareholder presence. The relevant distinction is therefore between nominal rights and executable mechanisms: information access, board representation, voting and contractual protections, and a credible willingness to use them. Effective oversight requires both reliable signals and an available response.

For Prosus, this framework shifts the analysis away from treating equity percentage as a direct measure of governance quality. Chapter 5 therefore assesses each holding through its specific rights, information channels, escalation options, and practical constraints. The analytical question is whether Prosus could detect a material problem and act before value deterioration became irreversible.

2.4 Platform Architecture and Ecosystem Governance

The transition from traditional product supply chains to digital platform ecosystems requires a fundamental shift in how organizations govern value creation.

2.4.1 Platform Dynamics and Value Propositions

Tiwana (2014) [1] distinguishes platform businesses from traditional product based businesses by showing that their value does not spring primarily from internal production alone, but from the ability to coordinate network effects, multisided markets, and distributed innovation. In this

view, the platform owner creates value by orchestrating an ecosystem of external complementors, such as app developers or localised subsidiaries, rather than attempting to build every component within the firm itself. This shifts the strategic logic of the business. The strength of the platform lies not only in what it produces, but in how effectively it enables others to contribute, scale, and interact within a shared architecture. Tiwana further argues that as platforms evolve, their survival depends on resilience, scalability, and continued adaptability in conditions of what is described as Red Queen competition, where continuous innovation is required simply to maintain market position. Taken together, these ideas position platform management as an ongoing exercise in ecosystem coordination, where competitive advantage depends on sustaining the technological and organisational conditions that allow distributed innovation to continue delivering value.

2.4.2 Build, Buy, or Partner Strategies in Digital Growth

Ecosystem growth rarely happens through one path alone. It forces organisations to make deliberate choices about whether new capabilities should be developed internally, acquired, or accessed through partnership. Ego (2022) [27] frames this as the build, buy, or partner decision, showing that mode choice is not simply an operational matter, but a strategic mechanism for shaping how the organisation expands its reach and capabilities. In digital platform settings, this decision becomes even more consequential because growth depends not only on ownership of assets, but on the ability to strengthen and extend the wider ecosystem. Miric, Pagani, and El Sawy (2021) [28] show that platform companies follow acquisition patterns that differ from those of non platform firms. Their findings suggest that platform businesses tend to acquire earlier in their lifecycle, first targeting competing platforms within the same niche in order to consolidate network effects, and then shifting toward non platform capabilities that can deepen or augment the core ecosystem. This progression is important because it shows that acquisition behaviour in platform environments is closely tied to ecosystem logic rather than simple scale seeking. In a decentralised holding structure, these governance choices carry even greater weight. The decision to pursue full operational control or retain only passive minority stakes directly shapes the parent entity's intervention capacity, and with it, its ability to direct coordination, mandate capability sharing, and integrate value across platforms that might otherwise remain strategically disconnected.

2.5 Intellectual Property Modularity and Value Extraction

While deep architectural integration drives value creation, it presents severe challenges for eventual value extraction (divestiture or spin-offs). This tension is analyzed through the lens of IP modularity.

2.5.1 Aligning Architecture with Intellectual Property

Product architecture shapes how functional elements are separated, connected, and carried through a system as distinct physical or digital modules. Within the literature, this is not treated as a purely technical design question, but as a strategic decision that influences control, openness, and long term value capture. Henkel, Baldwin, and Shih (2013) [19] develop this idea through the concept of IP Modularity, arguing that firms should align product architecture deliberately with intellectual property strategy. Their central insight is that legal boundaries, including patents, copyrights, and trade secrets, can be mapped onto technical module boundaries so that core proprietary assets remain protected while selected peripheral modules are opened to wider ecosystem innovation. This perspective is especially relevant in digital platform contexts, where firms must balance the need for external complementor participation with the need to retain control over the capabilities that create strategic advantage. In practice, this means that architectural design becomes a governance mechanism as much as an engineering one. For example, when foundational AI algorithms are isolated within an internally controlled and strongly protected module, derivative applications can build on that capability without exposing the underlying core to intellectual property leakage. Product architecture therefore determines what should be shared, what should be protected, and how innovation can be extended without weakening the technological foundation that supports it.

2.5.2 The IP Disassembly Problem

As technology portfolios become more deeply integrated, the literature suggests that restructuring them is rarely a clean exercise. What appears connected at the level of capability can become tightly bound at the level of ownership, control, and legal rights. Granstrand and Holgersson (2013) [29] describe this challenge as the IP Disassembly Problem, referring to the difficulty of untangling intellectual property rights during corporate divestitures or spin offs. Their argument is important because it shows that integration can create value during growth, while also creating friction when separation becomes necessary. The problem is not solved by assigning copyright or issuing a perpetual licence. A usable carve-out also depends on build and deployment pipelines, current model artefacts, data rights, interfaces, security controls, operating knowledge, vendors, and transition support. When a parent company requires subsidiaries to share centralised data architectures or AI models, it creates interdependencies that run deep into both the technical system and the rights structure surrounding it. This makes later separation far more difficult. The logic is similar to what has long been observed in physical industrial systems, where tightly interwoven supply chains can prevent clean divestitures, as seen in historical cases such as the integration between General Motors and Saab [30, 31]. In digital settings, the same pattern can take hold through software infrastructure, data flows, and shared model dependencies. Subsidiaries that rely heavily on a parent's central technology stack may therefore become difficult to sell as stand alone assets, because their functionality depends

on a wider corporate architecture that cannot be detached without substantial structural redesign and intellectual property clarification. Deep integration can therefore strengthen coordination in the short term while weakening future value extraction by making separation technically burdensome and legally uncertain.

2.6 Regulation, Intellectual Property, and Digital Sovereignty

For global digital holding companies, the transition from passive investment to active ecosystem orchestration is fundamentally constrained by the external legal and geopolitical environment.

2.6.1 Regulatory Fragmentation in Digital Platform Markets

The early phase of digital platform growth was shaped by an assumption of comparatively low cross-border friction. Regulatory fragmentation now requires firms to assess processing, transfers, AI-system roles, sector rules, competition, and investment screening by jurisdiction. The EU AI Act [14], GDPR [13], and India's DPDPA [15] do not impose the same mechanism or timetable. Their combined effect may require local adaptation, stronger documentation, bounded data flows, or architectural separation depending on the use case. Regulatory variation can therefore change the cost and feasible form of parenting intervention without implying one global localisation rule.

2.6.2 Data Governance and Cross-Border Capability Integration

A potential mechanism of value creation in contemporary digital portfolios is reuse of AI capability across markets. The relevant legal constraint is not one universal localisation rule. It is the combination of lawful-processing duties, transfer mechanisms, sector rules, AI obligations, and any jurisdiction-specific restriction effective for a defined use case. Centralised training, local models, bounded interfaces, federated methods, and ring fencing are candidate compliance responses rather than legal requirements. Their suitability depends on the defined data, purpose, actors, jurisdictions, technical design, and provisions effective for the use case. Cross-border AI coordination requires Prosus to establish which data or model artefacts move, for what purpose, under whose responsibility, and under which rules at the effective date.

2.6.3 Digital Sovereignty as a Strategic Constraint

Beyond conventional regulatory compliance, recent literature suggests that platform operators must also contend with the expanding geopolitical logic of digital sovereignty. Hamadeh and Amin [20] describe this as the assertion of state authority over digital infrastructure, data, and technology ownership in the name of national security and economic independence. This marks an important shift in how digital risk should be understood. The issue is no longer

limited to whether a platform satisfies technical standards or commercial expectations. It is also whether its architecture, ownership, and cross border dependencies remain politically acceptable within a given jurisdiction. In this sense, digital sovereignty introduces a persistent layer of geopolitical risk that can override technical performance or market success. Governments are increasingly using merger controls, investment restrictions, and executive powers to block cross border capability sharing or compel the divestiture of foreign owned technology assets. The 2024 United States congressional action requiring ByteDance to divest TikTok's United States operations [32, 33] stands as a significant example of this trend. Read through a portfolio governance lens, the implication is clear. If an asset's data architecture or ownership structure is interpreted as a sovereign risk, state intervention can rapidly undermine its transferability, reduce its strategic value, or even render it inoperable within that market.

2.7 The Portfolio Governance Framework

The synthesis of the reviewed literature reveals a significant limitation in traditional Product Portfolio Management. Foundational frameworks developed by Ulrich and Eppinger [17] and Wheelwright and Clark [18] largely rest on the assumption of a unified and relatively borderless market, where the main constraints on portfolio choice are internal capital allocation and technical feasibility. That assumption gave these models their strength, but it also marked their limits. For a global holding company such as Prosus, the conditions are now materially different. Portfolio decisions are no longer shaped only by what can be funded and built. They are also shaped by how technology is structured, how data is governed, and how far capabilities can move across borders without triggering regulatory or geopolitical resistance.

This study therefore argues that modern digital portfolio governance should be understood through three interdependent dimensions. The commercial and technical dimension assesses market potential and technical viability. The architectural dimension tests whether proprietary assets and interfaces are sufficiently modular to protect value and preserve separation options [19]. The sovereign and regulatory dimension first asks whether a defined capability design is legally admissible, then assesses its residual governance burden. A candidate response may be centralised, modular, federated, local, or ring fenced. It cannot be selected from generic jurisdiction labels alone, and no cited law is presented as prescribing one of those architectures.

Together, these perspectives suggest that logic of portfolio governance has evolved. Henkel shows that software intellectual property must be modularised to preserve value and avoid disassembly problems. Data governance now acts as a form of forced geographical modularisation, shaping what can be integrated, where it can be processed, and how far a parent company can extend shared capability across its portfolio. At its core, this means that a modern portfolio matrix can no longer screen investments on technical feasibility alone. It must also account for cross border data legalities, architectural separability, and the accumulation of regulatory technical debt.

3

Case Context: Prosus N.V.

3.1 Corporate History and Strategic Transformation

Prosus N.V. was established as the international internet arm of Naspers and listed on Euronext Amsterdam in September 2019, with a secondary listing on the Johannesburg Stock Exchange. The listing was designed to provide investors with more direct access to Naspers's global technology portfolio and positioned Prosus as one of Europe's largest listed consumer internet companies by asset value. At the time of listing, Prosus brought together a broad set of international internet assets across sectors such as online classifieds, food delivery, payments and fintech, education technology, and other digital platform businesses [34]. Table 3.1 provides the chronological frame for the developments that transformed a separately listed international portfolio into the governance and capability case examined in this chapter.

Date	Event and significance
Sept 2019	Euronext Amsterdam listing (Naspers spin-out). International identity, direct European capital-market access.
Jul 2021	Reuters frames Prosus as "Europe's answer to SoftBank"; CEO van Dijk rejects the analogy as broad-versus-focused.
Aug 2021	Naspers–Prosus share exchange (2.27443 ratio); 66% of N-shareholder votes against the remuneration policy overridden by the A-share bloc. Establishes that ownership percentage and voting control diverge structurally at Prosus itself, not only within its portfolio companies.
Nov 2022	iFood's remaining 33.3% stake acquired; full board and budget control formalised.
Jul 2024	Fabricio Bloisi appointed Group CEO. Governance posture shifts from "not tied to a rigid investment regime" to profitability and AI adoption as explicit, incentive-linked mandates.
2025	Despegar acquired at 100%; FY2025 reporting reframes strategy around a "lifestyle ecommerce ecosystem."
2025–26	Large Commerce Model and agentic AI build-out; HY2026 discloses over 20,000 agents and 30+ active cross-portfolio synergy experiments.

Table 3.1: Prosus/Naspers corporate history, 2019 - 2026

The creation of Prosus marked an important strategic shift for Naspers. Instead of keeping its global internet portfolio fully embedded within the South African parent structure, the separate Amsterdam listing allowed the group to build a more visible international identity as a global

consumer internet and technology investor. This structure also gave Prosus greater access to European capital markets and a clearer platform for managing its international portfolio. While the Tencent stake remained central to the group's value, Prosus gradually developed a wider strategic focus around building and scaling ecommerce-oriented platform businesses.

The Amsterdam listing invited an external comparison the company itself has resisted. Reuters described Prosus at the time as "Europe's answer to SoftBank and its Vision Fund" [35], a framing built on the surface similarity of two firms whose value hinges on one early, outsized technology bet, Tencent for Naspers/Prosus, Alibaba for SoftBank. Naspers's then-CEO Bob van Dijk rejected the comparison directly, characterising SoftBank's approach as broad and opportunistic against Naspers's own as focused and domain-specific, and explicitly ruling out building a Vision-Fund-style vehicle to invest more aggressively into unrelated startups [36]. This thesis treats the comparison the same way, useful for establishing that Prosus belongs to a small class of permanent-capital technology holding companies built around a single dominant asset, but not a claim that the two firms' portfolio-construction logic is interchangeable, since Prosus's governance and ecosystem-integration ambitions, developed across this chapter, are considerably narrower in scope than SoftBank's.

Table 3.2 compares the governance and architectural archetypes of Sequoia Capital, SoftBank, and Prosus, situating the focal case within contrasting portfolio models. The comparison is categorical rather than a claim that the three organisations are direct peers. Sequoia's founder-partnership model and SoftBank's investment model are drawn from their primary disclosures; the Prosus column applies the evidence boundaries used throughout this thesis [8, 37–40].

Feature or dimension	**Sequoia Capital**	**SoftBank Vision Fund context**	**Prosus N.V. focal case**
Archetype	Venture capital partnership and minority investor	Strategic investment holding and private-capital fund vehicles	Hybrid operating and investment platform holding
Parenting model	Selective company-building support, network access, and governance influence while founders retain operating responsibility	Capital scale, portfolio monitoring, investment discipline, and selected strategic ecosystem links	Shared AI through the LCM programme, payments capability, and regional commerce platforms
Technical architecture	Portfolio companies retain independent technology stacks; Sequoia offers support and network access rather than a common operating platform	Investee autonomy and independent stacks, with selected partnerships and group AI infrastructure	High stated integration ambition, but no publicly verified controlled common technical or data core
Primary risk vector	Minority rights, information asymmetry, portfolio selection, valuation, and exit timing	Valuation concentration, minority governance, and investment-cycle exposure	IP disassembly debt, cross-border regulatory friction, data governance, and capability separability

Table 3.2: Portfolio Governance and Architectural Archetypes.

The listing did not resolve, and by some readings sharpened, a governance tension that predates it. In August 2021 Naspers and Prosus completed a share-exchange transaction that created a cross-holding structure between the two entities, at a ratio of 2.27443 new Prosus N shares per Naspers N share tendered. Because Naspers itself was Prosus's largest shareholder and voted through its high-vote A shares, and only Prosus shareholders had a vote on the Prosus side of the transaction, the mechanics of approval were structurally weighted toward the controlling bloc from the outset. At the corresponding Naspers shareholder meeting that same period, a majority of ordinary N-shareholder votes were cast against the remuneration policy, roughly two-thirds by one contemporaneous account, while the A-shareholder bloc voted in favour of the resolutions before it, a pattern consistent with Naspers's dual-class structure in which A shares carry disproportionate voting weight relative to their economic interest [41]. The transaction's economic terms were not the primary source of objection; the exchange ratio sat above recent trading averages and was expected to improve Prosus's reported net asset value per share. The objection registered in contemporaneous commentary was to process legitimacy, a controlling shareholder structuring and approving a transaction with itself, rather than to the pricing. This episode is introduced here, ahead of the ownership-and-governance analysis in Chapter 5, because it establishes a baseline fact this thesis relies on throughout: at Prosus, formal ownership percentage and effective voting control are not the same variable, and a dual-class structure can make a numerically large minority objection immaterial to the outcome. The same distinction, applied to portfolio companies rather than to Prosus's own shareholder base, is what §5.2's ownership-versus-intervention-capacity analysis and §6.1's Opportunity Screening Matrix are built to capture.

In recent years, Prosus has moved further away from being viewed only as a passive investment holding company. Its strategy increasingly emphasises active portfolio management, ecosystem development, profitability improvement, and technology-led value creation. This transformation is visible in its FY2025 reporting, where the company describes its strategy around building a high-quality ecosystem of complementary businesses and becoming a leading lifestyle ecommerce company [8]. This indicates that Prosus is attempting to create value not only through financial ownership, but also through operational improvement, shared technology, and portfolio-level collaboration.

A major part of this transformation is Prosus's move toward regional ecosystem building. Rather than treating each portfolio company as a fully separate investment, Prosus increasingly frames its businesses as connected platforms that can reinforce one another. The acquisition of Despegar in 2025 illustrates this approach. Prosus presented the acquisition as part of a broader ambition to strengthen lifestyle ecommerce ecosystems across Latin America, India, and Europe. The company also linked Despegar to existing regional assets Sympla, and OLX Brazil, suggesting that the acquisition was intended to support ecosystem-level value creation rather than only standalone growth.

This strategic direction is also closely connected to Prosus's AI-first agenda. Prosus has stated that it is building Large Commerce Models and agentic AI capabilities as part of its effort to reinvent ecommerce [11]. These models are presented as a foundation for improving user experience, operational efficiency, and growth across the group's digital commerce ecosystem. For this thesis, this shift is important because it shows that Prosus's value creation logic increasingly depends on shared digital capabilities, data, AI infrastructure, and cross-platform learning.

Overall, Prosus provides a relevant case for studying strategic product portfolio management in digital platform investment portfolios. The company combines characteristics of an investment holding company, a platform portfolio owner, and an increasingly active technology operator. Its strategic transformation raises important questions about how value is created across portfolio companies, how ownership affects governance depth, and how far shared AI and data capabilities can be integrated across markets.

3.2 Portfolio Structure and Mapping

This sections maps the Prosus digital portfolio through an adapted Aggregate Project Planning framework derived from Wheelwright and Clark [18] and extended in light of more recent work on dynamic portfolio management (Si et al., 2022) [24]. By classifying the firm's top tier investments according to technological novelty, market application, and financial weight, the analysis reveals a significant structural imbalance, referred to here as the "Platform Deficit."

3.2.1 The Aggregate Project Planning Classification

The Prosus portfolio is highly heterogeneous, comprising more than 120 companies across multiple geographies and sectors, including food delivery, classifieds, edtech, and fintech. Despite this breadth, Net Asset Value composition shows that a substantial share of group value is concentrated in a relatively small number of entities. Applying the Aggregate Project Planning framework to these core holdings allows them to be grouped into three broad architectural categories: platforms, derivatives, and breakthroughs.

Platform assets provide foundational architecture and network effects upon which applications can scale (Tiwana, 2014) [1]. Tencent is the clearest external ecosystem benchmark in the Prosus case and represents approximately 85 per cent of estimated Net Asset Value in the cited period. Tencent's WeChat and gaming ecosystems demonstrate platform scale. Prosus's minority position, however, means that Tencent is not a controlled architectural foundation for the operating portfolio. iFood occupies a different role: it is a controlled operating platform in Brazil over which Prosus has active governance capacity. Prosus also describes the Large Commerce Model as a specialist commerce AI programme intended to create shared capability across portfolio companies, but public evidence does not establish one unified internal platform or one centralised Amsterdam architecture.

Market-specific assets extend digital business models into particular regional contexts. PayU, Swiggy, and eMAG illustrate this pattern under different ownership structures. iFood also operates in a specific regional context, but calling it only a derivative obscures its role as Prosus's controlled operating platform in Latin America. The distinction is functional rather than numerical. Figure 3.1 separates Tencent's role as an external ecosystem benchmark from iFood's role as a controlled governance and operating benchmark. This separation shows why ownership percentage alone cannot describe intervention capacity.

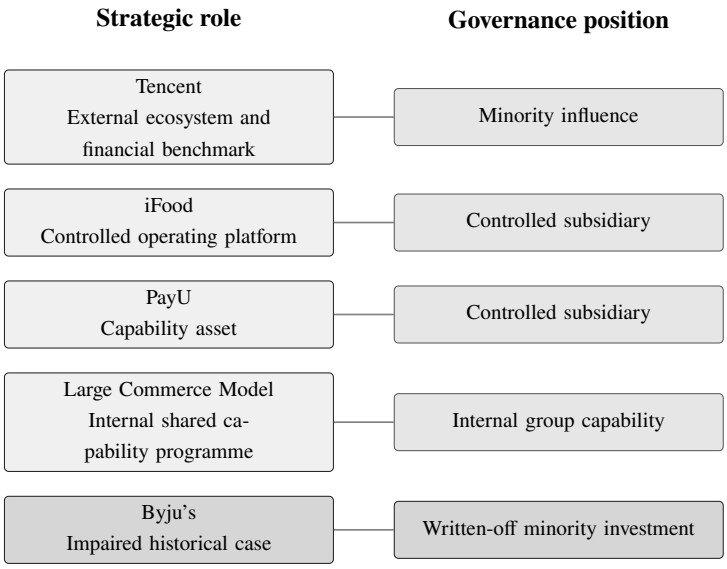

Figure 3.1: Categorical role and control map. The panels separate strategic function from governance position without invented numerical coordinates or bubble sizes.

In Figure 3.2 the categorical reconstruction complements by mapping the selected assets against relative product and market novelty and process and technology novelty. The positions are bounded analytical interpretations rather than measured scores or coordinates. Marker size is constant and does not encode Net Asset Value. Shape identifies governance status, while the Large Commerce Model appears only as internal capability context rather than as a portfolio investment. The figure composed from Prosus FY2025 disclosures and the evidence reviewed in this chapter [8].

Breakthrough assets represent a third category, defined by higher novelty and uncertainty. Byju's in India can be understood in these terms. Initially positioned as a breakthrough investment in global edtech, it ultimately resulted in a complete Prosus write-off. The outcome cannot be assigned to governance alone. Chapter 5 assesses the interaction of post-pandemic market normalisation, expansion and cost commitments, the Term Loan B and default, reporting failures, founder and board conflict, and investor intervention limits.

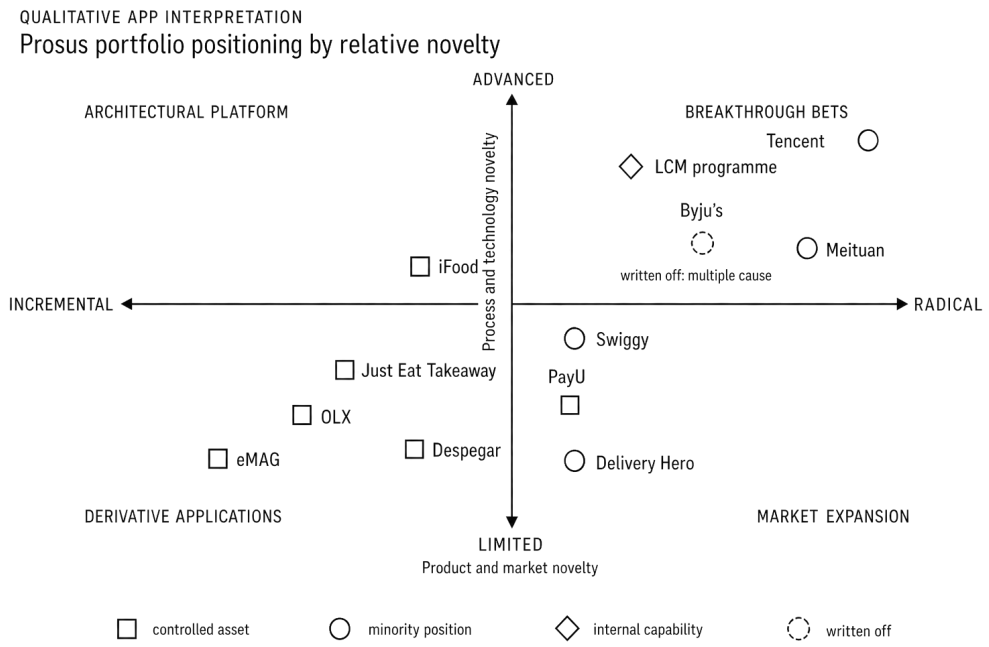

Figure 3.2: Qualitative Wheelwright and Clark APP interpretation.

3.2.2 The Tencent Pivot

When these assets are mapped together, a deeper contradiction emerges at the centre of Prosus's portfolio structure.

From a financial perspective, Prosus is heavily exposed to Tencent's platform ecosystem. From a strategic and operational perspective, Tencent remains external to Prosus's controlled architecture. Capital generated by the minority position is redeployed into controlled operating platforms and capability assets, including iFood and PayU, as well as other regional holdings.

This creates a structural misalignment. Prosus depends financially on a platform asset over which it has no direct operational or architectural control, while simultaneously seeking strong operational influence across businesses. In other words, the asset that gives the group its financial depth is not the asset through which Prosus exercises strategic coordination. That gap sits at the centre of its governance challenge.

Table 3.4 sets out the jurisdictional conditions that must also be satisfied before a proposed design proceeds to commercial comparison.

3.2.3 The Platform Deficit and Architectural Entanglement

The Aggregate Project Planning classification makes visible a platform deficit within Prosus's actively managed portfolio. The term is not a judgment against an abstract ideal. It identifies a testable divergence between Prosus's stated active-parent strategy, which claims value from shared AI and cross-portfolio capability through the LCM programme, and the public evidence

of its controlled operating architecture. If the passive Tencent stake is set aside, the remaining portfolio contains strong regional platforms and capability assets, but no publicly verified common technical or data core controlled by Prosus. In Wheelwright and Clark's terms, the claimed shared capability has not yet been evidenced as the platform project on which the portfolio's derivative applications scale [18]. In Porter's terms, the burden is to demonstrate the better-off mechanism that makes the businesses more valuable together than apart [25]. Parenting advantage is the later corporate-strategy interpretation of that burden, not a label supplied by Porter himself [3].

Invalidation Criteria. The Platform Deficit diagnosis would be invalidated under either of two observable conditions. First, Prosus demonstrates attributable portfolio-level productivity or gross-margin gains from capability sharing without a common technical architecture or shared data layer. Second, Prosus formally abandons the operating-platform thesis in favour of a minority-investment model without a claim of shared technical integration. Until either condition is evidenced, the deficit remains a conditional diagnosis rather than a permanent property of the group.

Prosus appears to have responded to this deficit by investing in shared AI capability through the Large Commerce Model programme. The strategic logic is understandable: reusable commerce AI may create a form of parenting advantage in the sense described by Grant [3]. Public disclosures support a programme involving several portfolio companies. They do not establish one shared model core, one set of weights, or an architecture directed from Amsterdam.

Viewed through IP Modularity [19], integration may introduce architectural entanglement if subsidiaries depend on shared models, interfaces, or data pipelines. That is a conditional scenario, not a disclosed fact about the current LCM. Any Brazilian or Indian use case must be assessed against the applicable processing and transfer rules at the relevant effective date. The EU AI Act adds risk-based obligations for covered AI systems; it is not a general localisation requirement.

This has important consequences for value extraction. If Prosus were to pursue a future divestiture or spin off of a highly integrated asset such as iFood, the transaction would likely confront what Granstrand and Holgersson (2013) [29] describe as the IP Disassembly Problem. A derivative business that depends deeply on the parent's central AI architecture may no longer be separable in any straightforward legal or technical sense. Its value would rest on systems, models, and governance arrangements that sit outside the asset itself. As a result, the very architecture designed to create coordination and efficiency in the short term may reduce strategic flexibility in the long term by making separation more costly, more uncertain, and potentially value destructive.

3.3 AI-First Strategy and Large Commerce Models

Fabricio Bloisi, founder of Movile and formerly chief executive of iFood, was appointed Group CEO of Prosus and Naspers with effect from 1 July 2024 [42]. The change in leadership coincides with a documented shift in how the group describes its own governance posture. Prosus's FY2023 reporting, under the previous CEO, described the group as "not tied to a rigid investment regime" and framed profitability as a forward commitment rather than a present obligation [43]. By FY2025, the group's stated position had changed materially: its integrated annual report states that "AI adoption is no longer optional" and sets an explicit mandate that "every group company [should] become best-in-class in AI and innovation" [8]. The HY2026 results presentation describes Prosus as "an AI-first company with over 20K agents" and discloses more than thirty active cross-portfolio synergy experiments, one of which it quantifies directly that 5 per cent of Despegar's net revenue derived from the iFood partnership within five months of the relationship starting. It attributed this early result to linked loyalty benefits, including points, discounts, vouchers, and cashback offers [40]. Executive incentives are now explicitly tied to these targets, a change from the aspirational framing of the prior era: "stretched corporate targets have to be met for executive team incentives to be paid" [8].

Figure 3.3 places these governance and capability claims within the changing financial context of Prosus's ecommerce portfolio. The recovery recorded in FY2024 and FY2025 coincides with the governance changes described above.

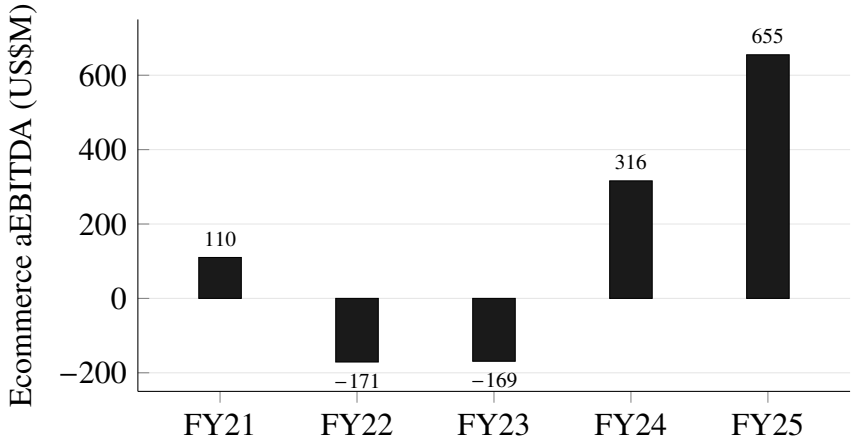

Figure 3.3: Prosus Ecommerce segment adjusted EBITDA from FY2021 to FY2025 in US$ millions.

This temporal correspondence does not establish that the governance changes caused the financial recovery. The financial series is reported by Prosus [12]. Table 3.3 therefore separates verified disclosure from issuer claims, thesis inferences, and technical facts that remain unknown.

Evidence level	What the record supports	Boundary used in this thesis
Verified Prosus disclosure	Launch of a specialist LCM programme and named portfolio-company participation.	The disclosure is verified as a Prosus publication, not as independent proof of technical architecture or performance.
Issuer claim	Joint training, commerce specialisation, user and token scale, and performance claims reported by Prosus.	Attributed to Prosus and not restated as independently validated fact.
Thesis inference	Possible parenting advantage, modularity choices, legal exposure, and divestiture dependency.	Treated as hypotheses to test against a defined use case and architecture.
Unknown technical facts	Unified weights, XGBoost use, third-party wrappers, training topology, component ownership, interfaces, and data movement.	No conclusion is drawn without internal documentation or auditable technical evidence.

Table 3.3: Large Commerce Model evidence boundary.

This thesis defines the Large Commerce Model (LCM) as Prosus's branded specialist commerce AI programme [11]. Prosus states that it was first developed with iFood and trained jointly with OLX, eMAG, and Despegar. Those statements establish the programme and the issuer's claimed collaboration. They do not establish one unified foundation model, one set of model weights, or one centralised training topology. The public record also does not establish whether production components use XGBoost, external model wrappers, proprietary foundation models, or a mixture of these. Claims about parenting advantage, modularity, regulatory exposure, and divestiture risk must therefore be expressed as inferences or conditional scenarios.

The governance implication is direct. A pre-2024 Prosus that held its portfolio companies at arm's length had comparatively little need to resolve how personal data generated in Brazil, India, or the European Economic Area could lawfully inform a shared AI system, because no such system existed to any material extent. An AI-first Prosus, by contrast, has made cross-portfolio capability sharing a stated strategic mandate, which means every jurisdiction in which a contributing portfolio company operates now has a direct bearing on what the group can lawfully build. This is the analytical bridge to Section 3.4 and to the Regulatory Exposure and Capability Governance Logic developed in Section 6.4: the AI-first strategy did not create the regulatory fragmentation discussed in Chapter 2, but it is what makes that fragmentation strategically consequential rather than a background compliance matter.

3.4 Regulatory Exposure Across Jurisdictions

Prosus's portfolio operates across multiple jurisdictions, which exposes the group to different regulatory regimes affecting data protection, artificial intelligence, foreign investment, and digital platform governance. This is strategically important because Prosus's value creation logic increasingly depends on shared digital capabilities, including AI models, data infrastructure,

and cross-platform learning. As these capabilities become more central to the group's strategy, regulation becomes more than a compliance issue. It directly shapes how far portfolio companies can be integrated and how easily data and technology can move across borders.

The European Union represents one of the most significant regulatory environments for Prosus because of its strict approach to data protection and AI governance. Under the GDPR [13], international transfers of personal data outside the European Economic Area require recognised legal mechanisms such as adequacy decisions or standard contractual clauses. This means that European user data cannot simply be moved into global AI or analytics systems without proper safeguards. In addition, the EU AI Act [14] introduces a risk-based legal framework for AI systems, which increases governance obligations for companies developing or deploying AI-enabled services in European markets.

India represents another important jurisdiction, particularly because of Prosus's exposure to fintech and consumer internet businesses. Section 16 of India's Digital Personal Data Protection Act, 2023 gives the Central Government power to restrict transfers to notified countries or territories [15]. Notification G.S.R. 843(E), published on 13 November 2025, schedules sections 3 to 17, including section 16, to commence on 13 May 2027 [44]. The correct current assessment is therefore not that an active localisation rule blocks transfer, but that each future use case must be reassessed at commencement and against any notified restriction.

Brazil is also highly relevant because iFood is one of Prosus's most important controlled platform assets in Latin America. Brazil's LGPD framework [16] regulates personal data processing and international data transfers. In 2024, Brazil's data protection authority, ANPD, issued Regulation No. 19 on international data transfers, establishing procedures for contractual clauses, binding corporate rules, and adequacy decisions. On 26 January 2026, the European Commission recognised Brazil as adequate and ANPD Resolution No. 32 recognised the European Union and relevant EEA jurisdictions as providing an adequate level of protection under the mechanism established by Regulation No. 19 [45, 46]. The reciprocal decisions reduce transfer-mechanism friction for covered flows. They do not remove purpose limitation, security, accountability, sector rules, or the need to verify the actual data route.

Beyond data protection, Prosus is also exposed to a broader shift toward digital sovereignty. Governments increasingly treat digital platforms as strategically sensitive because they collect user data, influence consumer behaviour, and control important digital infrastructure. In the United States, CFIUS [47] has authority to review certain foreign investment transactions to assess their effect on national security. This illustrates how cross-border ownership and control of digital assets can become subject to political and security review, especially when sensitive data or platform influence is involved.

In Table 3.4 the jurisdictional conditions that determine whether a proposed design may proceed to commercial comparison consolidated. It distinguishes rules governing data and AI systems

from investment screening rules governing ownership and control. Appendix B.2 provides the complete jurisdiction by company exposure mapping.

Jurisdiction	Instrument(s)	Core mechanism & Prosus relevance
European Union	GDPR + AI Act [13, 14, 22]	Conditional cross-border transfer regime (adequacy/SCC/BCR/derogations). The AI Act allocates obligations by system classification and operator role, not as a localisation rule. The consolidated transaction-date text governs because Regulation (EU) 2026/1744 delayed specified high-risk requirements.
Brazil	LGPD + ANPD Res. 19/2024 [16, 45]	EU adequacy from January 2026 removes the need for an additional GDPR Chapter V transfer instrument for covered EU-to-Brazil flows; processing and sector duties remain.
India	DPDPA 2023 [15, 44, 48]	Transfer-restriction provision (s. 16) is scheduled to commence on 13 May 2027 under direct Notification G.S.R. 843(E); the Rules follow their own staged schedule. Relevant to PayU and any Indian consumer data.
United States	CFIUS [47]	Reviews certain non-controlling investments in critical technology, infrastructure, or sensitive personal data.
European Union	FDI screening framework [49]	Regulation (EU) 2026/1386 establishes a revised Union framework while retaining national screening responsibility. Member States must establish compliant screening mechanisms by 17 January 2028.

Table 3.4: Key regulatory exposure by jurisdiction.

The TikTok and ByteDance case further illustrates this broader regulatory environment. The Protecting Americans from Foreign Adversary Controlled Applications Act [32] targeted foreign-adversary controlled applications and created divestiture-related pressure for TikTok's U.S. operations [33]. The relevance for this thesis is not that Prosus's assets are identical to TikTok, but that digital platform ownership is increasingly being evaluated through a sovereignty and national security lens. This means that data access, foreign control, and platform governance may affect the strategic flexibility of global digital investors.

For Prosus, regulatory exposure affects whether and how portfolio capabilities may be integrated. The legal analysis must precede commercial comparison. If a design is unlawful and cannot be redesigned, it stops. If the legal position or architecture is unresolved, it is held for evidence gathering or redesign. Only a legally eligible design may be compared on residual regulatory burden. A simplified overview of the jurisdictional conditions is shown below.

Overall, Prosus's regulatory exposure across jurisdictions reinforces the need for a regulation-aware portfolio governance approach. The company must balance the value of shared AI, data, and platform capabilities with the need to respect local data governance, AI regulation, and sovereignty constraints. This makes regulatory exposure a core part of the case context and directly supports the later analysis of capability integration.

4

Research Methodology

To operationalize the theoretical framework and address the research questions, this study employs a qualitative, framework-building methodological approach grounded in a single-case embedded design.

4.1 Research Design

Following Yin [50], this study adopts an exploratory single case embedded design. Prosus N.V. is treated as the focal organizational case, while its individual digital portfolio companies, including iFood, Swiggy, PayU, and Tencent, are examined as embedded subunits of analysis. This design is particularly suitable for the present research because it allows complex questions of governance and resource allocation to be studied within their real organizational setting. It is especially relevant where the boundary between the phenomenon under investigation, namely portfolio strategy, and the wider context of global regulatory fragmentation is not clearly separable. In this sense, the case design provides a structured way to examine how strategic decisions are shaped not only by internal portfolio logic, but also by the external legal and geopolitical conditions within which the portfolio operates.

4.2 Data Collection Strategy

Given the strategic sensitivity surrounding mergers and acquisitions and portfolio governance, this research relies exclusively on publicly available and verifiable secondary data.[1] This decision is important because it reduces exposure to internal corporate bias and allows the analytical framework to remain reproducible for external researchers and practitioners. The aim is not simply to gather information, but to build an evidence base that can withstand scrutiny beyond the organization itself.

The primary data corpus is drawn from three main sources. First, corporate disclosures, including Prosus N.V. and Naspers annual reports from 2020 to 2025 [43, 51], half year media

[1] Prosus was the main focus in this study but indicated that it could not take an active role during this study period and they referred us to its public disclosures, which are part of the secondary evidence assessed.

releases, and investor day presentations, are used to identify patterns in capital allocation, ownership posture, and stated strategic intent. Second, financial and equity research sources, such as independent valuation reports including Perpetua Insights [52], are used to examine Net Asset Value distribution and the relative financial weight of specific portfolio subunits. Third, regulatory and legal documentation, including rulings on cross border mergers and acquisitions such as United States CFIUS interventions [47] and TikTok divestiture decisions [33], alongside compliance frameworks such as the European Union AI Act [14] and the DPDP Act [15], are used to map the geopolitical and regulatory constraints shaping the portfolio. Taken together, these sources provide a structured basis for examining how strategic portfolio decisions are influenced by financial logic, governance architecture, and external sovereign pressure.

4.2.1 Data Corpus and Company Selection

The documentary corpus comprises Prosus annual reports from FY2020 to FY2025, relevant investor materials through the study cut off, independent financial analysis, public regulatory and legal records, and the academic literature reviewed in Chapter 2. We used structured data extraction records only to organise extracted fields and reconcile the portfolio population. These records were not treated as independent evidence. Table 4.1 summarises the corpus, period coverage, analytical purpose, and evidence status.

Companies were included as embedded cases or comparators when they contributed evidence relevant to at least one research question; publicly identifiable ownership, governance, financial, architectural, or jurisdictional information was available; and the company represented a material holding, controlled platform, minority benchmark, governance failure case, or regulatory exposure case. A claim was retained where it could be traced to Tier 1 or Tier 2 evidence, or was explicitly qualified when only weaker evidence was available.

Companies were excluded from detailed analysis where they had no material relationship to the research questions, the available record was insufficiently identifiable, the asset duplicated a capability already represented through a parent platform, or the only available synthesis could not be traced to retrievable underlying evidence. Undisclosed venture holdings remain part of the portfolio population but do not support company specific ownership or valuation conclusions. Appendix A records both the portfolio population and the analytical selection map.

4.2.2 Evidence Selection Protocol

Because the case relies entirely on public disclosure rather than interview or survey instruments, the credibility of any given claim depends on where it sits in a source hierarchy rather than on a sampling procedure. Three tiers are used throughout Chapters 3 and 5. Tier 1 is a primary Prosus or Naspers disclosure: an annual report note, a results presentation, or a group

Corpus component	Period or coverage	Purpose in the study	Evidence status
Prosus annual reports and investor materials	FY2020 to FY2026	Ownership, capital allocation, financial performance, governance posture, and stated strategic intent across RQ1 to RQ3 [5, 40, 43, 53–57]	Tier 1
Official portfolio population	March 2026 snapshot	Defines the company population from which embedded cases and comparison assets were selected [58]	Tier 1
Regulatory, legal, and public authority records	Instruments and decisions effective within the study period	Establishes legal applicability, governance limits, and jurisdictional exposure for RQ3	Tier 2
Independent financial and regulatory analysis	Documents available within the study period	Tests company disclosures and supports valuation or event interpretation where an independent source exists [52]	Tier 2
Academic literature	Literature reviewed in Chapter 2	Supplies the theoretical constructs operationalised in Chapters 4 to 6	Peer reviewed or established academic source
Structured data extraction records	Research records prepared during the study	Organises extracted company, ownership, geography, and performance fields; not treated as independent evidence	Organisational aid only

Table 4.1: Documentary corpus, period coverage, analytical purpose, and evidence status.

media release, the kind of source used for the FY2025 ownership-tier data in Appendix A.1 and the CMD25 growth figures in Appendix A.2. Tier 2 is independent financial or regulatory documentation that reports on the same event from outside the company, equity research such as Perpetua Insights, court or regulatory filings such as the TikTok v. Garland opinion or the EU merger-clearance conditions on Delivery Hero. Tier 3 is secondary commentary, financial press coverage or industry analysis that interprets Tier 1 or Tier 2 material without adding a new primary fact.

A claim is stated as observed fact in this thesis only when it traces to a Tier 1 or Tier 2 source with a specific document and, where available, a page or note reference, the convention followed for every ownership percentage in Appendix A.1. A claim resting only on Tier 3 material, or on a Prosus disclosure that could not be dated or located precisely, is flagged in the text rather than presented as equivalent to a verified figure. Where a corporate statement or investor presentation could not be independently cross-referenced to a dated, page-numbered group report, it is categorized as an unverified disclosure rather than treated as verified Tier 1 audit-grade data.

4.2.3 Epistemic Calibration of Analytical Claims

Source quality and claim status are recorded separately. A **confirmed** claim is directly supported by a primary corporate disclosure, statutory instrument, regulator decision, or court record. An **inferred** claim is reasoned from confirmed premises and states the analytical chain and its limits. A **speculative** claim is a plausible hypothesis that requires access to a virtual data room, technical artefact, contract, or management evidence. Speculative claims are used only to define due-diligence tests and are excluded from final causal or investment verdicts. This distinction is especially important for LCM architecture, technical separability, and the worked resolution of question-mark cells in Chapter 6.

This establishes a **verified public-evidence standard**, not a claim to know Prosus's internal technical topology. Where model lineage, component ownership, training topology, external model use, data movement, or deployment boundaries are not publicly evidenced, the thesis records them as unknown. Each unknown is converted into an auditable confirmatory-diligence request with a named artefact, evidence owner, verification test, deadline, and approver. The method therefore supplies a diligence blueprint that can be tested against internal evidence without presenting that evidence as already observed.

The same boundary applies to Prosus's statements about more than 20,000 AI agents and cross-portfolio synergy experiments. This thesis verifies that Prosus published those figures, but it does not treat self-curated corporate disclosure as independent proof of agent deployment quality, attributable productivity, realised margin, or portfolio-wide LCM causality [40]. The disclosures are analysed for the architectural, governance, and diligence prerequisites that would have to be confirmed internally.

4.2.4 Operationalising the Credible-Baseline Standard

Section 5.2.4 requires that a parenting-advantage claim rest on a credible baseline before it is accepted, rather than on the observation of improvement alone. Because the case has no control group, "credible baseline" is operationalised case by case using whichever of three comparison types the available disclosure supports, in descending order of strength.

The strongest available comparison is a matched external comparator, used where Prosus itself discloses one: the CMD25 peer-group comparison for iFood and OLX (Appendix A.2), where Prosus's own revenue-growth and margin figures are set against a named, calendarised peer basket rather than against the company's own history alone. The second is a pre-intervention time series internal to the same asset, used for PayU (FY2026 aEBITDA against its own prior-year figure) and for the Ecommerce segment aEBITDA and FCF-ex-Tencent charts in §3.3 and §5.3.1, where the FY2022 trough serves as the baseline against which the FY2025 recovery is measured. The weakest, used only where no better comparison is disclosed, is a qualitative counterfactual stated in the surrounding literature, for example Feldman's regulated-utility comparison invoked

in Section 5.2.4 to argue that parent authority *can* improve subsidiary performance under some conditions, without claiming that comparison transfers directly to Prosus's digital-platform portfolio. Every parenting-advantage claim in Chapter 5 is traceable to one of these three baseline types; where none was available, as with OLX's or eMAG's data-sovereignty exposure, the claim is left as an open evidence gap (§6.1) rather than asserted on a weaker basis.

4.2.5 Triangulation Rule Across Source Types

A quantitative claim is treated as triangulated, and stated without further qualification, only when it is corroborated across at least two of the three source categories above, for example iFood's ownership percentage (corporate disclosure, Appendix A.1) checked against the November 2022 transaction being independently reported at the time. Where a material claim rests on a single source category, most often a single Prosus disclosure with no independent corroboration, this thesis states that explicitly rather than presenting single-sourced and triangulated claims in the same register. The clearest instance of this rule in practice is the iFood ownership correction recorded in Appendix A.1: the 95.66 per cent figure from the FY2025 Annual Report Note 8 was treated as sufficient on its own only because it is a primary, dated, note-referenced disclosure of exactly the kind Tier 1 requires, not because a second source happened to confirm it. Conversely, several figures inherited from earlier drafting, including the pre-correction claim that iFood was fully owned, were carried forward from a single unverified mention and are exactly the kind of claim this protocol is designed to catch before it reaches the analysis chapters.

4.3 Analytical Frameworks: Translating Theory into Application

The core methodological objective of this thesis is to translate the established theoretical models into prescriptive, regulation-aware governance tools. The data collected will be processed through the following analytical mechanisms.

4.3.1 The Regulation-Aware Pugh Screening Matrix

Building on Ulrich and Eppinger's [17] concept selection methods, this study develops a modified Pugh Matrix to evaluate prospective platform investments in a more context sensitive manner. The matrix adds qualitative architecture, governance, ecosystem, and residual regulatory criteria to the diligence process without converting them into financial scores. This adaptation is necessary because conventional screening tools are often strong at identifying commercial promise, yet weaker at exposing legal, architectural, and geopolitical constraints. The matrix provides a structured basis for comparing designs and locating evidence gaps. It then hands the surviving route into DCF, IRR, multiple, liquidity, and scenario analysis. The fully worked

version of this matrix, criteria, datums, evidence routes, and financial handoff, is developed in Chapter 6.

4.3.2 Mapping RQ1 to Product Portfolio Management Theory

RQ1 asks how Prosus selects and prioritises opportunities across its portfolio. This is operationalised through two established product portfolio management lenses applied jointly rather than separately: Ulrich and Eppinger's [17] concept-selection logic, adapted into the Regulation-Aware Opportunity Screening Matrix (§6.1), and Wheelwright and Clark's [18] Aggregate Project Planning classification, used descriptively in §3.2 to map the existing portfolio into platform, derivative, and breakthrough categories before any prescriptive tool is applied. The mapping is deliberately sequential: the descriptive classification in Chapter 3 identifies the pattern (derivative-heavy, platform-deficient) that the analytical work in §5.1 explains, and the explanation in turn motivates the corrective screening tool in §6.1. This sequencing, describe, explain, then prescribe, is what allows RQ1 to be answered with a practical deliverable rather than only a diagnosis.

4.3.3 Mapping RQ2 to Governance Theory

RQ2 asks how ownership structures shape governance depth and value creation. The mapping proceeds through three theoretical layers introduced in §2.3 and §2.2.1: the ownership-control spectrum (Jensen and Meckling's separation of ownership and control), the distinction between nominal ownership and exercised intervention capacity (Jensen's monitoring literature), and the better-off test and parenting-advantage logic (Porter and Grant) that ultimately judges whether governance activity translates into value. §5.2 applies all three layers to the same set of ownership positions in sequence, so that a single case, for example Byju's, can be shown to fail at the intervention-capacity layer specifically, rather than being explained only by its ownership percentage. The Lifecycle Governance Trigger Framework in §6.3 is the practical translation of this layered reading: it treats governance depth as something that should be re-assessed against specific triggers rather than inherited passively from the ownership position taken at entry.

4.3.4 Mapping RQ3 to Digital Sovereignty and Modularity Theory

RQ3 asks how regulatory constraints and digital sovereignty affect Prosus's ability to integrate AI, data, and platform capabilities across its portfolio. Two theoretical strands are mapped jointly here. The first is IP modularity (Henkel, Baldwin and Shih; Granstrand and Holgersson), which explains why deep technical integration that creates value during ownership can destroy value at the point of divestiture. The second is digital sovereignty and regulatory fragmentation (§2.6), which explains why the applicable legal constraint differs by jurisdiction rather than following a single global rule. §5.3 applies both strands to the Large Commerce Model specifically, and the

Regulatory Exposure and Capability Governance Logic in §6.4 operationalises the resulting two-dimensional judgment, capability integration value against regulatory exposure, into a decision tool that a portfolio manager could apply to a new capability-sharing proposal.

In Table 4.2 this mapping consolidated by showing, for each research question, the theoretical layers applied in Chapters 3 and 5 and the corresponding governance frameworks developed in Chapter 6.

RQ	Theoretical layer(s)	Applied in	Operationalised as
RQ1	Ulrich & Eppinger's concept-selection logic [17]; Wheelwright & Clark's Aggregate Project Planning [18]	§3.2 (descriptive classification), §5.1 (explanation)	Opportunity Screening Matrix, §6.1
RQ2	Ownership-control spectrum [9]; nominal ownership vs. exercised intervention capacity; better-off test and parenting advantage [25, 59]	§5.2, applied to Tencent, Byju's, Mindgate, and Delivery Hero in sequence	Lifecycle Governance Trigger Framework, §6.3
RQ3	IP modularity [19, 29]; digital sovereignty and regulatory fragmentation (§2.6)	§5.3, applied to the Large Commerce Model	Regulatory Exposure and Capability Governance Logic, §6.4

Table 4.2: Summary of the RQ-to-theory mapping detailed in §4.3.2–§4.3.4.

4.4 Validity, Reliability, and Ethical Considerations

Following Yin [50], case study quality is assessed against four criteria: construct validity, internal validity, external validity, and reliability.

Construct validity is addressed through data triangulation across the three source categories described in §4.2, corporate disclosures, financial and equity research, and regulatory and legal documentation, so that a given claim (for example, PayU's governance control via the Mindgate board majority) is not resting on a single disclosure type. Key constructs used throughout the analysis, governance feasibility, parenting advantage, regulatory exposure, are given explicit operational definitions in Chapter 2 and applied consistently in Chapters 5 and 6, rather than left as intuitive judgments applied case by case.

Internal validity is a genuine limitation of this design rather than a criterion the thesis can fully satisfy. Because the study relies on public secondary data, it cannot isolate Prosus's own contribution to a portfolio company's performance from market growth, competitor behaviour, or the company's own execution. This is precisely why Section 5.2.4 states an explicit four-element evidence threshold, attributable intervention, credible baseline, observable outcome, and net value, before any outcome is labelled parenting advantage rather than mere correlation.

Where that threshold cannot be met with public evidence, the finding is stated as plausible rather than established, consistent with the calibrated-conclusion standard the thesis applies throughout Chapter 5.

External validity in a single-case design does not mean statistical generalisation to other digital holding companies. It means analytical generalisation: the four governance tools developed in Chapter 6 are built from Prosus-specific evidence but are structured around variables, ownership tier, regulatory exposure, architectural separability, that are not unique to Prosus. Whether the specific thresholds and worked examples transfer to another digital conglomerate is a question for future research, not a claim this thesis makes.

Reliability is supported by the explicit sourcing discipline applied throughout: every quantitative claim is traceable to a named disclosure (an annual report note, a results presentation, a dated regulatory instrument), and every theoretical claim is traceable to a specific cited source. Where a figure could not be independently verified against a primary Prosus disclosure at the time of writing, this is marked explicitly in the text or table rather than presented as equivalent to a verified figure, most visibly in the ownership-percentage corrections and gaps recorded in Appendix A.

Ethical considerations are limited given the reliance on public data, but two are worth stating. First, the thesis's own screening and governance tools are built partly from cases of corporate failure, most prominently Byju's, and the analysis is written to explain the governance mechanism at issue rather than to characterise the judgment of any individual manager. Second, because Prosus's FY2026 disclosures were not available in full at the time significant portions of this thesis were drafted, some figures cited from FY2025 or earlier are flagged where a more recent, materially different figure is known to exist, rather than silently left to imply currency they do not have.

5

Analysis

This chapter addresses the three research questions in turn, using the theoretical framework of Chapter 2 and the case material of Chapter 3 as its evidentiary base. Section 5.1 examines how Prosus selects and balances opportunities across its portfolio (RQ1). Section 5.2 examines how ownership structure shapes governance depth and value creation (RQ2). Section 5.3 examines how regulatory constraints and digital sovereignty shape cross-portfolio capability integration (RQ3). Each section builds directly toward one or more of the four practical tools developed in Chapter 6.

5.1 Portfolio Strategy and Opportunity Selection (RQ1)

This section addresses RQ1 by examining the logic through which Prosus identifies, screens, and resources opportunities across its digital platform portfolio. Because the study relies on secondary data, Prosus's selection logic is read through revealed preference, that is, through the pattern of what the group has acquired, built internally, retained, and exited over time, rather than through stated selection criteria alone. Three features stand out: an acquisition-led growth mode, an ecosystem-oriented notion of strategic fit, and a screening logic that has historically been strong on market attractiveness but weak on governance feasibility and regulatory exposure. The last point is the analytical bridge to the Opportunity Screening Matrix developed in §6.1.

5.1.1 Opportunity Screening Logic and Build vs. Buy Patterns

Prosus's expansion has been overwhelmingly acquisition-led rather than internally built. The revealed pattern across the portfolio, food delivery through iFood, payments and fintech through PayU, classifieds through OLX, ecommerce through eMAG, and travel through the 2025 Despegar acquisition, shows a firm that has grown its consumer-internet footprint primarily by buying established regional platforms rather than by constructing them from within. In the framing of Grant's build-versus-buy logic set out in §2.2.2, Prosus has consistently chosen the buy mode, using acquisitions to gain speed, local market knowledge, and regulatory legitimacy that would be difficult and slow to build organically in each jurisdiction.

This behaviour is consistent with the platform acquisition dynamics described by Miric, Pagani,

and El Sawy (2021) [28] in §2.4.2, who show that platform firms tend to acquire earlier in the lifecycle, first consolidating within a niche to secure network effects and then moving toward adjacent capabilities that deepen the core ecosystem. Prosus's trajectory follows this progression. Early capital deployment concentrated on consolidating category leaders within food delivery, iFood's own build-up through successive tranches culminating in the November 2022 transaction, alongside a multi-tranche position in Delivery Hero built between 2017 and 2021, before the group extended into adjacent verticals such as fintech and travel that reinforce the same consumer base. The Despegar acquisition is explicitly framed by Prosus not as a standalone travel bet but as a vertical that connects to iFood, fintech capabilities, Sympla, and OLX Brazil within a Latin American lifestyle ecommerce ecosystem [40]. Acquisition here is an ecosystem-building instrument, not simple scale seeking.

The pattern extends to the classifieds and ecommerce verticals, even where the ownership structure is less than fully unified. OLX Global B.V. is 99 per cent owned, with the residual one per cent held by management under standard practice [5], giving Prosus practical control equivalent to a wholly owned asset built through consolidation of national classifieds leaders across Central and Eastern Europe, Latin America, and South Africa. eMAG (formally Dante International S.A.), Prosus's Romanian ecommerce anchor, followed a slower consolidation path and was 88.23 per cent owned as of the FY2025 annual report, up marginally from 88.02 per cent the prior year. Both cases illustrate that Prosus's buy mode is rarely a single transaction; it is typically a multi-year consolidation of minority positions into control, a pattern the Opportunity Screening Matrix's governance-feasibility criterion (§6.1) is designed to track over time rather than assess only at the initial entry point.

The one clear exception to the buy mode is the internal construction of the Large Commerce Model and the associated AI research capability directed from Amsterdam, discussed in §3.3. This is the single most significant build decision in the portfolio, and its strategic purpose differs from the acquisitions around it. Where acquisitions add market reach, the LCM is an attempt to build a shared technological foundation internally, precisely because no such foundation could be bought. As established in §3.2.3, this is a response to the platform deficit: lacking a wholly owned commercial platform over which it exercises architectural control, Prosus is building a synthetic platform layer to manufacture one. The build-versus-buy pattern, therefore, is not random. Prosus buys market position and builds the connective technological core, because the first is available in the market and the second is not.

A hybrid or partner mode is also visible, most importantly in the Tencent position and, more recently, in Swiggy. A roughly 23.5 per cent minority stake in Tencent with limited operational influence (§3.2.1) functions less as a managed asset than as a financial and optionality holding, a partnership-style exposure that supplies capital for redeployment without conferring control. Swiggy shows the same logic applied deliberately at exit rather than at entry: Prosus held approximately 32.65 per cent pre-IPO, diluted to 25.90 per cent through the November 2024

listing and subsequent secondary sales that raised roughly US$452 million, while retaining two board seats. Together, these cases complete the build, buy, or partner triad developed in §2.4.2: Prosus partners for financial depth and optionality, buys for market reach, and builds for technological coordination.

What this reveals about screening criteria is as important as the modes themselves. The revealed criteria weight market attractiveness and ecosystem fit heavily. Large, fast-growing consumer internet markets in Brazil, India, and Central and Eastern Europe recur across the portfolio, and each acquisition is justified in terms of how it strengthens a regional ecosystem. Two criteria, however, appear systematically under-weighted in the historical record. The first is governance feasibility, the question of whether the ownership position actually permits the parent to influence outcomes. The second is regulatory and sovereign risk, the question of whether cross-border data and capability integration will remain lawful and politically acceptable over the asset's life. The consequences of neglecting the first are examined in §5.2 and are visible in the Byju's write-off. The consequences of neglecting the second are the subject of §5.3. The central implication for RQ1 is that a screening tool fit for a regulation-aware digital portfolio cannot evaluate opportunities on commercial promise alone. It must price governance feasibility and regulatory exposure into the selection decision itself, which is the rationale for the Opportunity Screening Matrix developed in §6.1.

5.1.2 Resource Allocation and Portfolio Coherence

Beyond individual selection, RQ1 concerns how resources are distributed across the portfolio as a whole. Applying the Aggregate Project Planning lens of Wheelwright and Clark [18], extended by Si et al. (2022) [24], the Prosus portfolio maps onto platform, derivative, and breakthrough categories, as set out in §3.2.1. The distribution of active capital across these categories is the clearest evidence of the group's implicit allocation strategy, and it exposes a coherence problem.

Most active capital deployment over the past decade has flowed into derivative assets, market-specific applications of proven models such as food delivery and payments adapted to particular regulatory and market environments. iFood in Brazil, with a reported Multiple on Invested Capital of approximately 2.8 times, and PayU across global payments exemplify successful value capture in this category. Breakthrough exposure, by contrast, has been smaller and more damaging, with Byju's resulting in a write-off of approximately $493–536 million (figures vary slightly across Prosus's own disclosures) after governance and solvency failures. The platform category, which in Wheelwright and Clark's logic should provide the foundational architecture on which derivatives scale, is effectively vacant in operational terms. Tencent occupies the platform role financially, at roughly 85 per cent of Net Asset Value, yet Prosus holds it passively and cannot direct it as an architectural foundation for the rest of the portfolio.

This is the coherence problem at the heart of RQ1. Portfolio balance is not merely sector variety. Prosus has assembled controlled operating platforms and capability assets, including iFood, PayU, OLX, eMAG, and Despegar, while Tencent remains an external ecosystem and financial benchmark rather than a controllable foundation. The LCM programme can be read as an attempt to create shared capability across this portfolio. Whether it succeeds depends on use-case performance, governance rights, technical architecture, and legal admissibility. Public disclosures do not establish one central AI core or unrestricted access to portfolio-company data.

For RQ1, then, the answer is twofold. Prosus selects opportunities through an acquisition-led, ecosystem-oriented logic that is strong on market attractiveness but historically weak on governance and regulatory screening, and it allocates resources in a way that has produced derivative breadth without platform depth. Both findings point to the same corrective: selection and balancing tools that internalise governance feasibility and regulatory exposure rather than treating them as background conditions, which is exactly what Chapter 6 develops.

5.2 Governance Structures and Value Creation (RQ2)

This section addresses RQ2 by examining how ownership structures shape governance depth, intervention capacity, and value creation across Prosus's portfolio companies. The analysis proceeds from the ownership spectrum established in §2.3.1, through the distinction between nominal ownership and effective control in §2.3.2, to the parenting-advantage logic of Porter and Grant in §2.2.1. The recurring finding, developed across the three subsections below, is that governance depth at Prosus tracks ownership position, that minority ownership can reflect either deliberate optionality or a genuine control failure depending on intent and monitoring, and that the group is attempting to extend parenting advantage synthetically through shared AI in ways that create the separability tensions analysed in §5.3.

5.2.1 Ownership Rights and the Feasible Governance Set

Agency theory provides a useful starting point because ownership can align residual claims with monitoring and decision rights (Jensen & Meckling, 1976) [9]. However, equity percentage alone is an incomplete proxy for governance depth. Puck et al. (2016) [60], using data from 156 foreign subsidiaries in China, found that wholly owned subsidiaries did not necessarily receive more parent control than joint ventures and that cultural distance changed how formal ownership was translated into control. The implication for Prosus is that ownership defines a potential scope of authority, while board composition, shareholder agreements, reserved matters, local regulation, and managerial delegation determine how much influence is actually available and used.

Prosus's reported portfolio illustrates this distinction. iFood became wholly owned when Prosus acquired the remaining 33.3 percent in November 2022 [43]. Despegar was acquired at 100

percent in May 2025 and is consolidated as a subsidiary. These positions give Prosus a broad formal basis for appointing boards, approving budgets and major investments, setting group-level risk requirements, and coordinating ecosystem initiatives. Full ownership does not imply that Prosus manages everyday operations. It means that Prosus can allocate decision rights and intervene when the expected benefit exceeds the cost of reducing local autonomy.

Mindgate demonstrates more clearly why control should not be inferred from percentage ownership alone. PayU initially obtained a 43.5 percent effective interest, but Prosus reported that this first tranche already provided control because it gave PayU majority representation on Mindgate's board. A later tranche brought effective ownership to 70 percent. In this case, board rights created control before majority economic ownership had been completed. The observation supports the proposition that governance architecture, rather than equity percentage in isolation, determines the feasible scope of intervention.

Minority positions show the other side of the relationship. Tencent remained an associate at 31 March 2026, with Prosus holding 22.66 percent after further disposals and Tencent share repurchases. This position provides economic exposure and significant influence for accounting purposes, but it does not give Prosus the authority available in a controlled subsidiary. Delivery Hero provides an even sharper comparison. As part of the regulatory commitments for the Just Eat Takeaway.com acquisition, Prosus agreed not to participate in Delivery Hero's management or supervisory board. Prosus consequently reported that it could no longer exercise significant influence and reclassified the holding as a financial investment. The percentage stake remained economically meaningful, but the removal of governance participation changed the nature of influence.

These cases establish a spectrum rather than three fixed categories. At one end, wholly owned subsidiaries provide a wide feasible governance set. Majority-controlled firms may provide comparable authority when voting and board rights support control. Associates allow monitoring and selected influence but not unilateral direction. Financial investments provide economic exposure with little or no direct governance capacity. The relevant analytical question is therefore not only "How much does Prosus own?" but also "Which decisions can Prosus influence, through which rights, and with what limitations?"

In Table 5.1 this distinction applies to Tencent, Byju's, Mindgate, and Delivery Hero, showing why ownership percentage alone does not establish intervention capacity or outcome.

The cases are more accurately represented as transitions than as points on a pseudo-quantitative governance scale. Figure 5.1 preserves the event sequence across the four cases and shows how governance participation can remain stable, strengthen before majority ownership, deteriorate, or be removed by regulation.

Case	Ownership	Board / governance participation	Outcome
Tencent	22.66% (31 Mar 2026, associate)	Significant influence, monitoring rights; no operational or board-majority control	Stable, deliberate low-cost optionality holding
Byju's	<10% (post write-off)	Prosus board representation followed by resignation in 2023 amid reporting and governance breakdown	Full write-off, ≈$493–536M
Mindgate (via PayU)	43.5% initial tranche → 70%	Board-majority control obtained *before* majority economic ownership	Capability expansion, positive contribution to PayU segment
Delivery Hero	27.40% → 16.8%	Governance participation removed by regulatory remedy (Just Eat Takeaway merger condition), not by choice; reclassified as financial investment	Economically meaningful stake, involuntary loss of influence

Table 5.1: Ownership position and governance participation across four Prosus cases.

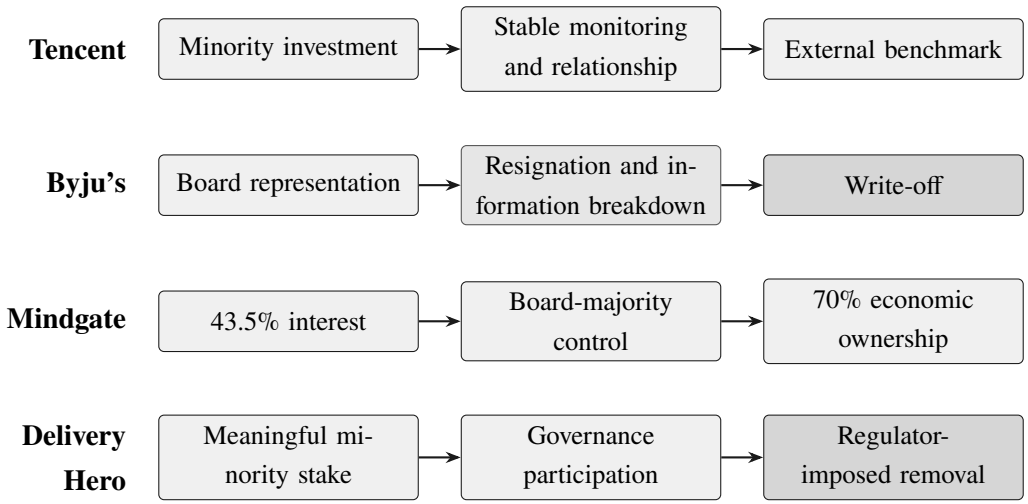

Figure 5.1: Governance transitions across four Prosus cases.

5.2.2 Byju's as a Multicausal Failure

The Byju's outcome cannot support a governance-only explanation. The public record shows several mechanisms operating on different timelines. School reopening and post-pandemic demand normalisation weakened the exceptional conditions that had accelerated online education, while expansion commitments and a high cost base reduced room to adjust. The US$1.2 billion Term Loan B then created a separate financing and control channel. The Delaware Supreme Court upheld lender remedies following a specified default under the credit agreement [61]. Reporting delays, weak information access, and conflict between executive leadership and investor directors further reduced monitoring quality. Prosus stated that its board representative resigned after advice on strategic, operational, legal, and governance matters was disregarded [62].

Factor	Evidence	Plausible contribution	Uncertainty	What Prosus could influence
Post-pandemic demand normalisation and school reopening	Official Indian reporting documents the shift from pandemic school closure and online dependence toward reopened schools [63].	Reduced exceptional demand for fully online learning and increased competition from physical schooling.	No public counterfactual isolates the effect on Byju's revenue or valuation.	Limited. Prosus could challenge forecasts and scenario assumptions, not control the macro shock.
Operating expansion and cost structure	Public financial reporting showed large losses, delayed accounts, layoffs, and multiple acquired businesses during the expansion period [64].	Increased cash burn and reduced ability to absorb weaker growth or tighter funding.	Public sources do not allocate the loss cleanly across acquisitions, core operations, and accounting effects.	Partial through budgets, board challenge, financing conditions, and escalation rights.
US$1.2 billion Term Loan B and default	The Delaware Supreme Court records the 2021 facility, specified default, and lender enforcement rights [61].	Added liquidity pressure and transferred control of pledged Byju's Alpha shares to the lender agent.	The judgment establishes contract and default facts, not the relative causal weight of debt in the whole collapse.	Partial at investment and board level, but Prosus was not the lender or sole decision maker.
Reporting and information failures	Delayed audited results and investor complaints about insufficient reporting are documented in contemporaneous sources [62, 64].	Weakened monitoring, valuation confidence, fundraising, and timely intervention.	Public statements are partly interested-party accounts.	Directly relevant to negotiated information rights, escalation clauses, and willingness to remain on the board.
Founder and board conflict	Prosus, Peak XV, and the Chan Zuckerberg Initiative representatives resigned from the board in 2023; Prosus reported repeated disagreement with executive leadership [62, 65].	Reduced the effectiveness of advice and narrowed later intervention channels.	Public evidence does not reveal all board deliberations or establish that resignation caused subsequent deterioration.	Partial through board conduct, coalition building, reserved matters, litigation, and exit choices.
Investor rights and intervention capacity	Prosus held below 10 per cent and could not direct the company unilaterally. Peak XV also held a board seat and announced a significant markdown; BlackRock later marked its own stake to zero [64, 66].	Limited the ability of any one investor to compel operating change and shows that board presence was not sufficient protection.	Investor rights differed, and losses by one investor do not prove another investor's counterfactual.	Prosus could negotiate stronger rights or decline further exposure, but could not guarantee compliance by the founder or other shareholders.

Table 5.2: Causal evidence assessment of the Byju's case.

The mechanisms differ in both their causal role and the degree to which Prosus could influence them. Table 5.2 separates the observed evidence, plausible contribution, uncertainty, and available intervention capacity for each factor, preventing the Byju's outcome from being reduced to a single governance cause.

The supported conclusion is narrow. Prosus's minority position and the practical limits of its rights constrained monitoring, protection, and intervention. They did not independently cause the collapse. Losses and markdowns suffered by other investors, including an investor with board representation, also show that a board seat was not sufficient protection. The evidence does not support assigning the entire outcome to two governance criteria.

5.2.3 Exercised Governance and Selective Intervention

Formal authority produces no effect unless it is translated into governance mechanisms. Management-control research treats control as a package rather than a single act of centralisation. A systematic review of 79 studies identifies combinations of output controls, process controls, decision-right allocation, planning systems, information systems, and social or relational controls, with their effectiveness depending on headquarters, subsidiary, and host-country conditions (Sageder & Feldbauer-Durstmüller, 2019) [67]. Ouchi's (1979) [68] distinction among output, behavioural, and clan-based control similarly suggests that parents can coordinate subsidiaries without directing every operational decision.

Prosus's public disclosures indicate the presence of several such mechanisms. The group board approves strategy, business plans, budgets, and financial and non-financial targets and monitors execution through risk and performance oversight. Prosus also reports intragroup services in artificial intelligence and machine learning, accounting, internal audit and risk, legal affairs, mergers and acquisitions, data privacy, human resources, tax, information technology, software, communications, and treasury. Related-party services are subject to audit-committee monitoring and approval thresholds, and Prosus states that they are conducted on an arm's-length basis. These disclosures provide stronger evidence of governance activity than ownership percentages alone because they identify recurring channels through which the parent can monitor, support, and coordinate controlled businesses.

The mechanisms can be grouped into four governance layers. First, **performance governance** includes reporting, budgets, targets, and board review. Second, **risk and compliance governance** includes audit, internal control, cybersecurity, ethics, legal, and data-privacy processes. Third, **strategic governance** includes capital allocation, acquisitions, restructuring, major technology choices, and portfolio integration. Fourth, **relational and capability governance** includes shared expertise, cross-company learning, management contact, and joint ecosystem initiatives. The first two layers primarily protect value and reduce downside risk. The latter two are more directly associated with creating additional value, although they also carry greater coordination

and integration costs.

Governance depth should nevertheless remain differentiated. Meyer et al. (2020) [69], reviewing more than 600 studies, argue that subsidiaries are organisations in their own right and are embedded in multilevel relationships with local markets, institutions, and internal networks. Local management can possess information that headquarters lacks. Excessive centralisation may therefore slow adaptation, weaken managerial initiative, or impose practices that fit one market but not another. This problem is especially relevant to Prosus because its businesses operate across food delivery, travel, payments, classifieds, and ecommerce in institutionally different regions.

The available evidence thus supports **selective intervention**, not uniform control. Prosus has a stronger reason to intervene when five conditions coincide: the issue is strategically material; group-level risk or capital is exposed; the parent possesses a relevant capability; coordination benefits cannot be achieved by voluntary market contracting alone; and the expected gain exceeds implementation and autonomy costs. Local autonomy is more defensible when market knowledge is highly specific, the subsidiary is performing within agreed thresholds, cross-portfolio interdependence is low, or the parent lacks superior information. Figure 5.2 sets out the analytical sequence from ownership and contractual rights to the feasible governance set, selected intervention, moderating conditions, observed outcomes, and net parenting advantage.

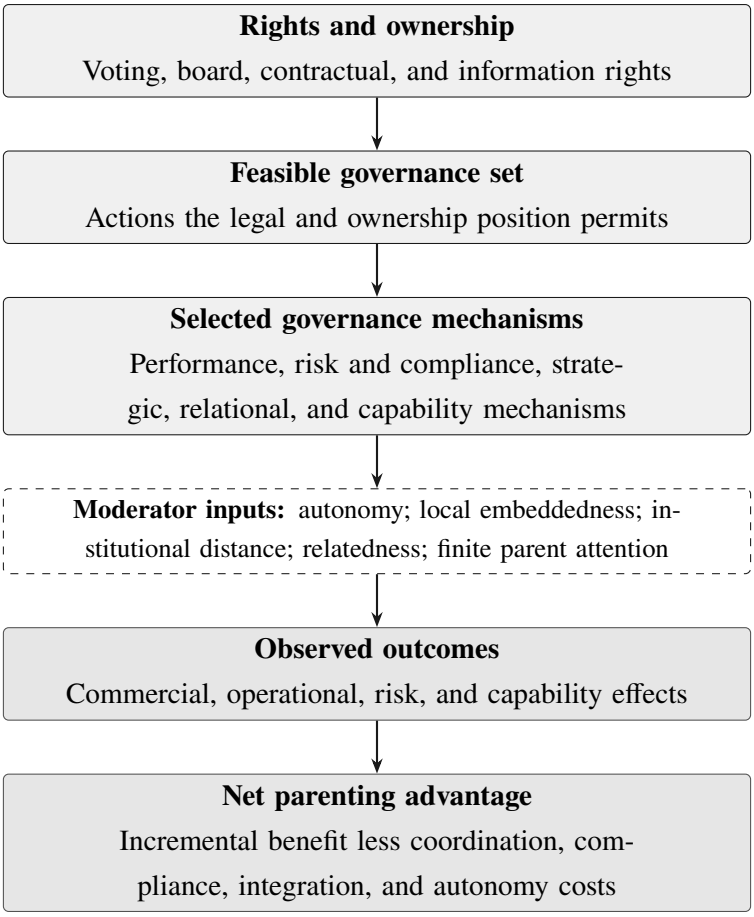

Figure 5.2: Rights, intervention, and parenting outcome process.

This contingency logic also prevents a common analytical error. A parent can be deeply involved yet ineffective, or lightly involved yet influential through a carefully chosen board or capital-allocation decision. Fallah and Heidari's (2021) [70] systematic review identifies headquarters interventions that can create value, reduce value, manage the portfolio, or prevent loss. Governance depth should therefore be assessed by the fit, timing, and quality of intervention, rather than by the volume of headquarters activity.

As an author's synthesis of the governance and parenting literature reviewed above, the chain separates formal capacity from selected intervention. Ownership, voting rights, board seats, and contracts define what Prosus could do. The governance mechanisms it selects then shape outcomes together with conditions that the parent only partly controls. Net parenting advantage is the incremental benefit after coordination, compliance, integration, and autonomy costs.

5.2.4 Parenting Advantage, Value Subtraction, and the Standard of Evidence

The final issue is whether Prosus's governance makes portfolio companies better off. Parenting theory argues that a corporate parent creates advantage only when its resources, skills, rela-

tionships, or governance improve the businesses relative to a credible stand-alone alternative (Goold et al., 1994) [59]. Porter's (1987) [25] better-off test makes the same requirement in diversification strategy. Common ownership, shared services, or announced synergies are not sufficient. The benefit must be incremental and must exceed corporate overhead, integration costs, slower decision making, and any loss of local responsiveness.

Empirical research supports the possibility of parenting advantage but also shows that it is conditional. Feldman (2021) [71] compared observationally similar US utilities operating under different legal restrictions on parenting and found higher performance where holding companies had greater scope to parent. This offers unusually strong evidence that parent authority can improve subsidiary performance. Its regulated-utility setting, however, limits direct generalisation to Prosus's digital-platform portfolio. Nell and Ambos (2013) [72], using 124 European manufacturing subsidiaries, found that headquarters created more value when they invested in relationships with the subsidiary's local context, particularly where the subsidiary was strongly embedded. This implies that parenting capability includes local understanding, not only central expertise.

The disconfirming evidence is equally important. Ciabuschi et al. (2017) [73], examining 85 subsidiary innovation projects, found that headquarters could identify strategically important innovations, but that headquarters involvement could hinder project performance. Andrews et al. (2023) [74], using 12,336 subsidiaries from 854 multinational firms, show that the corporate effect varies with portfolio size, industrial relatedness, and institutional distance. Because corporate attention and resources are finite, a parent cannot contribute equally to every business. These findings challenge any assumption that deeper control or more integration is inherently beneficial.

For Prosus, plausible parenting mechanisms include disciplined capital allocation, risk governance, access to technical and AI capabilities, management expertise, ecosystem distribution, payment infrastructure, and cross-company learning. The Despegar acquisition is a useful case of the intended logic. Prosus attributes part of the acquisition goodwill to Despegar's market presence, financial technology, and integration into the Latin American ecosystem. Despegar subsequently reported revenue and positive adjusted operating results within the consolidated group. This is consistent with a value-creation hypothesis, but it does not isolate the effect of Prosus ownership from market growth, Despegar's existing capabilities, acquisition accounting, or local management.

iFood provides a second case. Its FY2026 revenue, aEBITDA, and aEBIT improved relative to the prior year [75, p. 2], and Prosus presents iFood as a central platform in its Latin American ecosystem. Full ownership gives Prosus extensive capacity to coordinate capital, technology, and adjacent services. Yet the observed improvement could also arise from iFood's own competitive position, market expansion, pricing, and operational execution. The correct conclusion is therefore that the case shows strong performance under full Prosus ownership and a credible

channel for parenting, but not a quantified parenting effect.

PayU provides a third, more cautious illustration. Its continuing operations aEBITDA improved from negative US$25 million in FY2025 to positive US$18 million in FY2026 while revenue increased to US$781 million [for the comparable FY2025 baseline, see 21] [for the FY2026 results, see 75, p. 2]. The Mindgate transaction also expanded PayU's payments capabilities and gave it board-based control before the full 70 percent economic interest was settled [5, Note 8]. These facts are compatible with active governance and capability building. They do not demonstrate that Mindgate or parent intervention caused the segment improvement, particularly because the PayU segment contains multiple businesses and underwent portfolio changes.

A rigorous thesis should therefore apply an explicit evidence threshold before labelling an outcome as parenting advantage. Four elements are required:

1. **Attributable intervention:** a specific action, resource, or governance mechanism can be linked to Prosus rather than only to portfolio-company management.
2. **Credible baseline:** performance can be compared with a pre-intervention trend, a matched company, a business plan, or another defensible counterfactual.
3. **Observable outcome:** the analysis identifies a measurable change in revenue, margin, cost, risk, customer acquisition, innovation speed, or another relevant indicator over an appropriate period.
4. **Net value:** the estimated benefit exceeds corporate overhead, integration expense, compliance cost, and any loss of local autonomy.

Public evidence is insufficient to complete this test consistently across the portfolio. The most defensible finding is therefore graded. Governance capacity is demonstrated by ownership, board, and contractual rights. Governance activity is partly demonstrated by Prosus's reporting, approval, assurance, shared-service, and integration disclosures. Parenting advantage is plausible but not fully identified where reported outcomes and Prosus-specific mechanisms align without a credible counterfactual. This calibrated conclusion is analytically stronger than treating every synergy claim or performance improvement as proof of value creation.

5.3 Regulatory Constraints and Capability Integration (RQ3)

Section 5.2 established that Prosus is attempting to manufacture parenting advantage synthetically through the Large Commerce Model, extending shared AI capability to derivative businesses that lack a controllable common platform. This section addresses RQ3 by asking what limits that attempt. Three findings structure the discussion. First, cross-portfolio AI can

create genuine parenting advantage, but only under specific conditions of governance rights and absorptive capacity that public evidence cannot yet confirm at scale. Second, digital sovereignty is not a single regulatory concept but a bundle of jurisdiction-specific mechanisms that must be assessed individually rather than assumed to apply uniformly. Third, the same integration that creates value during ownership can reduce the value realisable at exit, a tension that becomes the analytical foundation for the Regulatory Exposure and Capability Governance Logic developed in §6.4.

5.3.1 Cross-Portfolio AI and Data Capability Sharing

Prosus's strongest potential parenting advantage lies in the selective reuse of AI capabilities across portfolio companies rather than in unrestricted pooling of their data. Prosus presents its strategy as an AI-first ecosystem spanning food delivery, fintech, classifieds, ecommerce, and travel. Its Large Commerce Model was first developed with iFood and subsequently trained with participation from OLX, eMAG, and Despegar [11]. This provides evidence of an intended cross-portfolio operating model. It does not, by itself, demonstrate that common training data or shared models have produced a portfolio-wide performance effect.

The resource-based view supports this distinction between possession and productive use. Chen et al. (2022) [76] find that AI capability affects ecommerce performance through complementary organisational capabilities, including AI management, creativity, and AI-supported decision making. A group model therefore creates parenting advantage only when a portfolio company can adapt it to a defined use case and improve performance against a credible local baseline. Relevant use cases may include recommendations, fraud detection, demand forecasting, logistics, or customer service. The strategic asset being transferred may be a model architecture, software component, evaluation protocol, or specialist team rather than customer-level data.

Research on data-enabled learning also qualifies the assumption that portfolio scale automatically produces superior AI. Gregory et al. (2022) [77] argue that data network effects can arise when additional interactions improve an AI system and increase value for users, but they identify stewardship, legitimacy, and user-centred design as important conditions. Hagiu and Wright (2023) [2] similarly show that data-enabled learning creates competitive advantage only under particular learning functions and competitive conditions. More data is therefore not equivalent to more value. Food delivery, travel, payments, and classifieds involve different prediction tasks, populations, and institutional contexts. Evidence on negative transfer shows that knowledge from one domain can reduce performance in another when the source and target are insufficiently aligned (Zhang et al., 2023) [78]. Cross-portfolio deployment should therefore require domain-similarity testing and controlled comparison with a locally trained alternative.

Organisational conditions are equally important. Knowledge flows within multinational firms depend on the value of the source knowledge, the richness of transmission channels, the recipi-

ent's motivation, and absorptive capacity (Gupta & Govindarajan, 2000) [4]. Transfer can remain difficult inside the same corporate group because of causal ambiguity, weak recipient capability, and difficult source-recipient relationships (Szulanski, 1996) [79]. More recent evidence from digital platform multinational enterprises connects knowledge sharing to performance through coordination and cooperation rather than through transfer alone (Chatterjee et al., 2023) [80]. Prosus's technical centres, common tools, and professional communities may therefore support learning, but local teams still require the skills, incentives, and decision rights needed to adapt shared capabilities.

Ownership structure determines the feasible depth of this model. Prosus can more readily establish common technical standards, allocate staff, and require performance reporting in wholly owned or majority-controlled companies. Minority holdings normally provide weaker access to operational data and fewer rights to mandate architecture or model-governance changes. Control expands the opportunity set, but it does not prove that integration will create value. Deeper integration is justified only when a relevant capability, sufficient governance rights, local absorptive capacity, and measurable incremental performance are present together.

Federated learning illustrates the middle layer because it enables collaborative model training while raw training data remain decentralised (Kairouz et al., 2021) [81]. It is not a complete legal or security solution. Federated systems remain exposed to model leakage, poisoning, data heterogeneity, and accountability problems. Whether an arrangement constitutes a regulated transfer also depends on the actual information exchanged and the applicable legal framework. Technical decentralisation must therefore be combined with purpose limitation, access control, auditability, and clear responsibility for model outcomes.

One further piece of public evidence bears on the platform-deficit argument developed in §3.2.3 and §5.1.2: whether the derivative portfolio can generate cash independently of the passive Tencent holding it has historically depended on for financial depth.

Figure 5.3 presents Prosus's disclosed FY2021 to FY2025 free cash flow trajectory excluding Tencent dividends, providing a direct test of whether the derivative portfolio can generate cash independently of the external asset that historically supplied the group with financial depth [12].

Figure 5.3: Prosus free cash flow excluding Tencent dividends, FY2021 to FY2025 (US$M).

This is the first year in the disclosed series that Prosus's ecommerce and fintech businesses, taken together, have generated free cash flow without relying on the Tencent dividend to fund the group. The FY2025 result also represents an approximately US$1 billion improvement from the FY2022 trough. It does not, on its own, meet the four-element evidence threshold set out above, positive FCF ex-Tencent has many possible causes, but it is the single most direct piece of public evidence that the retrofit strategy discussed in §3.2.3, building coherence through the Large Commerce Model and operational discipline rather than through a controllable platform, is producing a measurable financial result rather than only a strategic narrative.

The resulting conclusion is conditional. Cross-portfolio AI can create parenting advantage when Prosus transfers a relevant capability into a portfolio company that has sufficient governance rights and absorptive capacity, then demonstrates incremental value after governance costs. Public company evidence supports the existence of a shared AI strategy, but it does not yet establish its causal portfolio-level effect. A defensible evaluation should report model lift, revenue or cost effects, time to deployment, local adoption, compliance incidents, and estimated separation cost. This finding provides the link to Section 5.3.2 because regulatory fragmentation determines which capability layer is feasible in each jurisdiction.

5.3.2 Data Governance and Digital Sovereignty

Digital sovereignty should not be treated as a synonym for data localisation. Pohle and Thiel (2020) [82] describe it as a contested political concept concerned with authority, control, autonomy, and collective self-determination in digital systems. Its practical effects may appear through privacy law, cloud and cybersecurity policy, competition rules, AI regulation, sector-specific obligations, or foreign investment screening. Cross-country data governance also varies according to the activity being regulated, including collection, use, storage, transfer, and access (Coche et al., 2024) [83]. For Prosus, the analytical task is therefore to identify the concrete

legal mechanism that applies to a capability rather than assuming that every sovereignty concern requires local storage.

In the European Economic Area, the GDPR [13] allows personal data to move to third countries through specified mechanisms. These include adequacy decisions, standard contractual clauses, binding corporate rules, and limited derogations. This is a conditional transfer regime, not a blanket prohibition. A global AI workflow involving European personal data must nevertheless establish a lawful processing basis, purpose limitation, data minimisation, security, and a valid transfer mechanism where the recipient is outside the EEA. The EU AI Act [14, 22] addresses a different question. It allocates obligations according to the role of an actor and the risk or use of an AI system. It is therefore inaccurate to describe the AI Act itself as a general localisation law. Regulation (EU) 2026/1744 amended the original application timetable. Chapter III, Sections 1 to 3 apply from 2 December 2027 for systems classified as high risk under Article 6(2) and Annex III, and from 2 August 2028 for systems classified as high risk under Article 6(1) and Annex I. Other provisions retain their own application dates. The research cut off of June 2026 therefore does not mean that every high risk obligation was already applicable. Every Stage 1 assessment must use the consolidated legislation effective on the transaction date. The strategic burden still depends on the application, classification, operator role, and provisions then in force.

Brazil's position has become materially less restrictive for EU-Brazil transfers than the earlier thesis draft suggested. ANPD Resolution No. 19/2024 established adequacy, standard contractual clauses, specific clauses, and binding corporate rules as transfer mechanisms. It also requires a valid legal basis, purpose specificity, minimisation, transparency, and security. On 26 January 2026, the European Commission recognised Brazil as providing an adequate level of personal-data protection, and ANPD Resolution No. 32 reciprocally recognised the European Union and relevant EEA jurisdictions [45, 46]. Covered personal data can consequently move between Brazil and the EEA on the adequacy route without an additional transfer instrument. This reduces legal friction for cooperation between iFood and Prosus entities in the EEA, but it does not remove the underlying duties governing why data are processed, which data are necessary, who may access them, or how they are secured.

India presents a transition risk rather than a fully operational restriction at the June 2026 research cut off. The Digital Personal Data Protection Act 2023 [15] gives the Central Government power to restrict transfers to notified countries or territories. The direct commencement authority, Notification G.S.R. 843(E), schedules sections 3 to 17, including Section 16, to commence on 13 May 2027 [44]. The Digital Personal Data Protection Rules, 2025 use their own staged commencement schedule and do not convert Section 16 into a current blanket transfer prohibition [48]. Prosus should therefore prepare for the future regime and monitor sector-specific rules, especially in payments and financial services, but the thesis should not describe Section 16 as a current general transfer restriction at the research cut off.

At the June 2026 research cut off, Table 5.3 consolidates the legal conditions governing cross

portfolio AI and data arrangements in the European Economic Area, European Union, Brazil, India, and the United States. The comparison shows that regulatory exposure changes the feasible integration and governance response, but none of these regimes can be reduced to a uniform data localisation rule.

Jurisdiction	Instrument	Status at the June 2026 research cut off
European Economic Area	GDPR (transfer regime)	Conditional transfer regime, not a blanket prohibition: adequacy decisions, standard contractual clauses, binding corporate rules, limited derogations.
European Union	AI Act [14, 22]	Allocates obligations by actor role and system classification; not a localisation law. Regulation (EU) 2026/1744 delays Chapter III, Sections 1–3 to 2 December 2027 for Article 6(2)/Annex III systems and 2 August 2028 for Article 6(1)/Annex I systems. Stage 1 must use the consolidated law effective on the transaction date.
Brazil	LGPD + ANPD Res. 19/2024	EU–Brazil mutual adequacy recognised January 2026. Personal data now moves between Brazil and the EEA without an additional transfer instrument; underlying duties (legal basis, minimisation, access, security) remain.
India	DPDPA 2023, s. 16	Not yet a current blanket restriction. Direct Notification G.S.R. 843(E), published 13 November 2025, phases ss. 3–17, including s. 16, into force on 13 May 2027 [44]. The DPDP Rules have a separate staged schedule [48].
United States	CFIUS	Covers certain non-controlling investments involving critical technology, critical infrastructure, or sensitive personal data.
European Union	FDI screening framework	Updated rules published June 2026 broaden scope and set a common minimum; national authorities retain transaction-level screening; Member States have an implementation period.

Table 5.3: Jurisdictional conditions for cross portfolio AI and data governance.

5.3.3 Divestment and Investment Screening

The final constraint is that a capability can create value during ownership while reducing the ability to restructure or sell the asset later. Digital integration creates dependencies through shared data pipelines, identity systems, cloud services, AI models, software libraries, specialist teams, and intellectual property. These dependencies can make a portfolio company more valuable inside Prosus but less viable as a standalone business. Because acquisitions, capital recycling, and exits form part of Prosus's portfolio model, separation cost is not a remote operational issue. It is part of the initial integration decision.

Modularity research provides a useful basis for evaluating this trade-off. Henkel et al. (2013) [19] argue that product architecture and intellectual-property boundaries should be aligned so firms can capture value without creating unnecessary exposure across modules. Granstrand and Holgersson (2013) [29] show that divestiture can generate an intellectual-property disassembly problem when ownership, access, and control rights have become interdependent. Their cases demonstrate the importance of identifying the assets needed by both seller and business for sale,

then allocating ownership and licences before separation pressure arises. Applied to Prosus, common AI components should have explicit owners, versioned interfaces, contribution records, licence terms, and defined rights to models, training artefacts, and improvements.

Evidence on IT carve-outs strengthens this argument. Yetton et al. (2023) [84] find that carve-out complexity increases the time required for physical IT separation and creates stranded assets, with negative consequences for divestor performance. Transitional service agreements can maintain continuity, but they may also delay decommissioning and constrain the seller's post-divestment reconfiguration. The implication is not that Prosus should avoid integration. It is that the expected synergy should be evaluated net of technical disentanglement, stranded infrastructure, duplicated licences, migration effort, and transitional support.

Foreign investment screening can make these dependencies strategically consequential. The United States' CFIUS framework [47] covers certain non-controlling investments in businesses involving critical technology, critical infrastructure, or sensitive personal data. In the European Union, the foreign investment screening framework identifies critical technologies and sensitive information as relevant security considerations. Updated rules published in June 2026 broaden the framework and establish a common minimum scope, although national authorities retain the transaction-level screening role and Member States have an implementation period. These regimes do not imply that every Prosus transaction will be restricted. They do show that access rights, control, data sensitivity, and technical dependency can affect approval conditions, transaction timing, and the feasible buyer set.

The TikTok litigation provides a boundary case rather than a direct analogy. The U.S. statute concerned applications controlled by a designated foreign adversary and defined a qualifying divestiture in a way that precluded specified operational relationships, including cooperation over recommendation algorithms and data sharing. The Supreme Court upheld the challenged provisions in January 2025 [33]. Prosus does not have the same ownership profile or risk designation. The case is relevant because it demonstrates the outer limit of sovereignty intervention: a sale may be legally insufficient if technical and data relationships preserve prohibited control or access. For Prosus, the more probable concern is transaction delay, conditions, or a narrower buyer set in data-intensive and regulated assets, but the architectural lesson remains that legal separation must be supported by operational separation.

Prosus should therefore apply an ex ante separability test before approving deep integration. The test should determine whether a portfolio company can continue operating if group services are withdrawn, whether its data can be identified and exported or deleted, whether model and IP rights can be allocated without negotiation across multiple entities, and whether replacement systems can be introduced within a defined period. Shared services should use documented interfaces, and material dependencies should be recorded in a separation register. Where a capability is both highly sensitive and difficult to separate, the hurdle rate for integration should rise.

This logic produces an integration-separability frontier. At low levels of integration, Prosus may leave valuable learning and scale benefits unrealised. At very high levels, additional synergies may be outweighed by coordination, compliance, and separation costs. The efficient point varies by capability, ownership rights, jurisdiction, and transaction exposure. It will generally occur at a lower level of integration for minority holdings, regulated financial data, high-risk AI uses, or assets likely to be sold. Controlled core platforms with stable ownership and strong capability fit can support deeper integration, provided that interfaces and rights remain documented.

Regulatory constraints and digital sovereignty affect Prosus's capability integration by making it selective, jurisdiction-sensitive, and conditional on separability. They do not remove the opportunity for portfolio-level AI advantage. Prosus can still centralise reusable technical assets and specialist knowledge, use approved or protected mechanisms for cross-company learning, and retain sensitive data or regulated decisions in local domains. The appropriate governance depth rises with ownership rights and demonstrated capability fit, but falls as legal sensitivity, institutional difference, and future separation cost increase. Prosus creates parenting advantage only when the measured benefit of a shared capability exceeds its coordination, compliance, and exit costs. This conclusion provides the analytical basis for the Regulatory Exposure and Capability Governance Logic developed in Section 6.4.

6

Framework Development

This chapter converts the analytical findings of Chapter 5 into four prescriptive, regulation aware governance tools. The first combines a two stage legal admissibility gate with two datum sensitive Pugh runs and an explicit handoff to financial underwriting. The remaining tools address multidimensional portfolio balance, lifecycle governance, and capability architecture. Section 6.5 then connects all four tools to one six stage M&A workflow. Together they operationalise the central argument that legality and credible compliance architecture are prerequisites, while governance feasibility, separability, economic exposure, and residual regulatory burden shape later comparison and valuation.

6.1 Opportunity Screening Matrix

The Opportunity Screening Matrix is an upstream strategic and risk filter for prospective digital platform investments. It deliberately separates legal admissibility, comparative screening, and valuation. The sequence has three stages:

1. **Legal admissibility.**
   Test the defined proposal against current applicable law and announced legal changes within the documented planning period. An unlawful or unresolved design does not enter ordinal comparison.

2. **Dual datum comparative screening.**
   Compare every eligible opportunity against Tencent and iFood using the same criteria and evidence rules. The two runs expose reference dependence without averaging the results.

3. **Financial underwriting handoff.**
   Translate adverse conditions and evidentiary gaps into valuation assumptions, contractual protections, and confirmatory diligence requirements.

The matrix does not calculate acquisition price. It uses Pugh Controlled Convergence to expose relative strengths, structural weaknesses, and missing evidence before valuation.

Methodological Rationale for Comparative Evaluation

Pugh uses +, −, and S (same as) to compare a concept with a reference datum rather than assign a numerical rating [85]. The thesis retains this ordinal logic for three methodological reasons:

Comparative reliability.
A criterion by criterion comparison is more defensible than assigning unsupported magnitudes. Frey et al. show why discrimination between alternatives is methodologically preferable to unvalidated numerical estimation in this setting [23].

Protection against false compensation.
Weighting and summation would allow a commercial strength to conceal an adverse legal or governance condition. The symbols therefore record direction relative to a datum; they are never summed or averaged.

Controlled convergence.
A minus identifies a redesign or acceptance decision. A question mark creates an evidence request. Iteration and concept redesign, rather than a row total, produce convergence.

Each eligible opportunity is compared with both Tencent and iFood using +, −, 0, or ? for insufficient evidence. Tencent is the external ecosystem benchmark under minority influence. iFood is the controlled operating platform benchmark. Both runs use the same criteria and evidence rules. Changing the datum may change a judgment, which is why both views are retained.

Two Stage legal admissibility gate

Before a target enters either matrix, the legal gate tests a defined proposal, jurisdiction, use case, signing date, and planning period. It is a thesis decision control derived from applicable law, not a procedure prescribed by legislation. The two stages are sequential:

Stage 1: current applicable law.
Test the consolidated law effective on the transaction date and the credibility of the proposed compliance architecture.

Stage 2: announced legal change.
Test enacted, announced, or phased changes expected within 24 months or the documented planning period. A material future exposure requires a dated and owned conditional route.

An unlawful design stops. An unresolved design is held for evidence or redesign. Commercial benefits cannot offset either result.

The legal check must use the correct instrument and effective date. The EU AI Act allocates duties by system classification and actor role; it is not a general localisation law [14, 22]. Regulation

(EU) 2026/1744 delays specified Chapter III requirements, so the applicable timetable must be verified. India's DPDPA sections 3 to 17, including section 16, are scheduled to commence on 13 May 2027, and any notified transfer restriction must be checked at the decision date [15, 44, 48]. The EU decision on Brazil reduces transfer friction for covered flows but does not remove purpose, security, accountability, or sector duties [45].

In Figure 6.1 a two stage sequence is formulated. Stage 1 determines whether the defined design is lawful under current rules, while Stage 2 tests announced legal changes within the planning period. A design classified as ineligible or unresolved stops before the Pugh comparison.

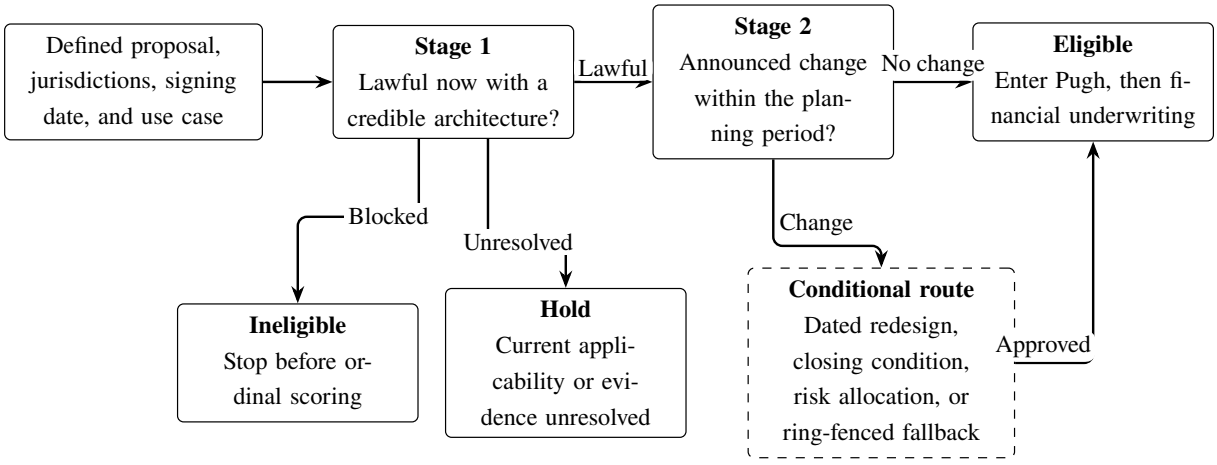

Figure 6.1: Two stage legal admissibility gate.

Table 6.1 converts the legal gate into three operational states and specifies the required route for each. Scheduled legal change is recorded separately as a dated condition and does not alter the current law classification.

Gate state	Decision rule	Required route
Eligible	Currently applicable law permits the defined design and a credible compliance architecture exists.	Enter the Pugh comparison. Record any scheduled legal change as a dated condition. C10 and C11 assess only residual burden.
Hold	Current applicability, evidence, consent, notification, or architecture remains unresolved.	Gather evidence or redesign, then repeat Stage 1. Do not score while current legality is unresolved.
Ineligible	Current law blocks the design and no lawful redesign is available.	Reject the design. Commercial advantages cannot reopen the comparison.

Table 6.1: Operational states and required routes in the legal gate.

Two Stage Sequential Screening Protocol

The ordering is strict. An ineligible design, a legal hold, or a structural negative $-^{S}$ on a governance right defined in advance as indispensable causes rejection or redesign. Only candidates that pass these hard gates enter the Pugh comparison. The comparison supports criterion by criterion judgment, evidence gathering, and hybrid deal design. It does not permit arithmetic compensation.

Both runs use the same four assets, criterion order, public evidence cut off, and symbols. A plus means better than the named datum, a minus means worse, and zero means no supported material difference. A question mark means that the public record is insufficient and routes to information gathering; it is not a neutral value [23, 85–87].

Common Criteria Framework Across Four Strategic Pillars

Both runs evaluate the same 11 criteria across architecture, ecosystem strategy, governance, and residual regulation. The bands organise the investigation but do not create weights.

In Table 6.2 defined the common criteria used across both datum runs so that changes in judgment reflect the benchmark rather than a change in method.

Code	Strategic pillar	Evaluation criterion and operational scope
C1	Architecture	**Architectural modularity.** Technical decoupling, explicit interface contracts, and clean service boundaries.
C2	Architecture	**Divestment feasibility and disassembly.** Shared dependencies, operational disentanglement, and exit readiness.
C3	Ecosystem	**Platform scalability and network effects.** Multisided defensibility, volume scaling, and cross side network effects.
C4	Ecosystem	**Ecosystem reciprocity.** Two way data, capability, or user flow benefits supported across portfolio companies.
C5	Ecosystem	**Complementary asset scarcity.** Licences, merchant networks, logistics, or other difficult to replicate assets.
C6	Ecosystem	**Controlled portfolio coherence.** Contribution to the controlled portfolio and fit with the stated strategic role.
C7	Governance	**Intervention capacity.** Enforceable authority over boards, budgets, leadership, and strategic decisions.
C8	Governance	**Reporting and board reliability.** Timely audited information, management accounts, and board transparency.
C9	Governance	**Capability independence and technical ownership.** Ownership and control of core intellectual property, code, models, and infrastructure.
C10	Regulation	**Residual data and AI compliance burden.** Remaining transfer, governance, and audit burden after legal admissibility.
C11	Regulation	**Residual competition and investment screening burden.** Remaining merger control, remedy, and foreign investment exposure after the gate.

Table 6.2: Common screening criteria across four strategic pillars.

The eleven criterias were selected by tracing the recurring decision variables established in Chapters 2 and 5 to the three research questions. Architecture and separability provide C1, C2, and C9; platform and portfolio logic provide C3 to C6; ownership rights and observed governance failures provide C7 and C8; and the legal analysis provides C10 and C11 as residual burdens after admissibility. Together, these criteria capture the four conditions that repeatedly determine whether Prosus can create parenting advantage: technical separability, ecosystem value, enforceable governance, and residual regulation. The set is case derived rather than universal, and the criteria remain separate because strength in one pillar cannot compensate for failure in another. Financial parameters are not included as an additional screening criterion because valuation follows the strategic and governance screen through the underwriting interface in Table 6.3.

Handoff to Financial Underwriting: Staged Decision Interface

Pugh Controlled Convergence is a qualitative design method, not a valuation model [23]. Each adverse or unresolved criterion is therefore translated into a cash flow, discount rate, multiple, scenario, liquidity, remediation, or contractual protection input. No universal premium or acquisition discount is prescribed because the value depends on the asset, financing, probability distribution, and market evidence.

Table 6.3 makes the interface auditable. The investment committee should test whether each material screening result appears in the valuation, transaction terms, or diligence plan rather than ask the ordinal symbols to perform pricing.

Screening output	Financial or contractual parameter	Mandatory diligence evidence
C1, C2, or C9 adverse	Refactoring CapEx, transition cost, stranded cost, separation scenario, and feasible acquisition multiple	Architecture map, dependency register, vendor contracts, replacement test, and carve-out estimate
C7 or C8 adverse	Governance downside scenario, liquidity discount where justified, monitoring cost, reserved matters, information and audit rights	Shareholder agreement, board rights, reporting package, cure provisions, and enforcement opinion
C10 or C11 adverse after eligibility	Compliance OpEx and CapEx, delay scenario, closing condition, remedy cost, indemnity or escrow sized to evidenced exposure	Counsel opinion, regulatory timetable, filing path, data map, remedy precedent, and quantified downside
Any decision-critical question mark	No final valuation sign-off	Named data-room request, evidence owner, test, deadline, and approver

Table 6.3: Risk handoff from ordinal screening to transaction-specific underwriting.

Five Part Evidentiary Test for Mitigable Adverse Conditions

The annotation $-^{M}$ is allowed only when all five conditions below are supported. Otherwise the condition is $-^{S}$, held for evidence, or eliminated. This prevents a deal sponsor from relabelling a structural weakness as a future workstream.

1. **Authority.** The investor or controlled company has a lawful and enforceable right to implement the remedy; third-party or regulator discretion is identified.
2. **Accountability.** A named executive and delivery team own the remedy, with a milestone and deadline appropriate to the risk.
3. **Underwriting.** Implementation cost, operational drag, delay, and downside are included in the deal model rather than deferred to post-close synergy.
4. **Feasibility evidence.** The remedy has a relevant production precedent or a completed technical and legal proof of feasibility.
5. **Risk allocation.** Residual exposure is allocated through a transaction-specific condition, indemnity, escrow, price adjustment, insurance, or fallback design sized from the evidenced downside. No fixed percentage of enterprise value is presumed.

Dual Datum Matrix Runs and Benchmark Reconciliation

A single reference baseline would conceal one side of the portfolio problem. Tencent tests external ecosystem scale under minority influence. iFood tests controlled operational governance and platform capability. Candidates are therefore assessed in two separate and nonaveraged runs. Table 6.4 applies the common criteria with Tencent as the external ecosystem benchmark. The comparison makes Tencent's ecosystem scale the reference condition while exposing the stronger intervention capacity of controlled assets. Unknown architecture and technical ownership remain unresolved rather than being inferred from corporate labels.

Candidate	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11
Tencent, datum	0	0	0	0	0	0	0	0	0	0	0
iFood	?	?	−	+	+	+	+	+	?	?	?
PayU	?	?	−	+	+	+	+	?	?	−	?
Byju's	?	?	−	−	?	−	−	−	?	?	?

Table 6.4: Pugh Run A with Tencent as the external ecosystem benchmark.

Table 6.5 repeats the assessment with iFood as the controlled operating platform benchmark. This second run makes Tencent's governance limitations visible without erasing its ecosystem scale advantage, thereby exposing which judgments depend on the datum choice.

Candidate	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11
Tencent	?	?	+	–	–	–	–	?	?	?	?
iFood, datum	0	0	0	0	0	0	0	0	0	0	0
PayU	?	?	–	?	+	+	0	?	?	–	?
Byju's	?	?	–	–	?	–	–	–	?	?	?

Table 6.5: Pugh Run B with iFood as the controlled operating platform benchmark.

Reconciliation Logic

The runs test different strategic hurdles. Tencent tests ecosystem scale and financial depth through C3 to C5. iFood tests controlled governance and operability through C7 to C9. A route follows the supported pattern on those criteria, not a row total.

External ecosystem growth play.

A candidate that is strong on the Tencent hurdle but structurally weak on the iFood governance hurdle is not treated as a failed controlled subsidiary. It may proceed only as a minority or financial structure with evidenced information, downside, liquidity, and exit protections.

Captive capability asset.

A candidate that is weak on the Tencent scale hurdle but strong on the iFood governance hurdle may proceed only when the strategic case depends on controlled capability absorption and every adverse condition passes the five-part mitigability test defined above.

Mixed or unknown patterns route to information gathering, redesign, or elimination. The two matrices remain separate and are never averaged.

Asset	Tencent datum route	iFood datum route	Changed judgment or interpretation
Tencent	Reference benchmark	Develop governance access only if the opportunity requires operational integration	C3 becomes positive; C4 to C7 become negative; unresolved architecture and regulatory cells remain unknown.
iFood	Develop architecture evidence; retain governance strengths	Reference benchmark	C3 is negative against Tencent, while C4 to C7 are positive. These relative judgments disappear when iFood becomes the datum.
PayU	Develop regulatory architecture and gather technical evidence	Develop regulatory architecture and gather technical evidence	C7 changes from positive to zero because both controlled assets provide substantial intervention capacity.
Byju's	Eliminate as a model for a governance-dependent opportunity; retain causal uncertainty	Same route	No supported judgment changes. The adverse route is driven by intervention, reporting, and portfolio-coherence evidence, not by an arithmetic tally.

Table 6.6: Datum sensitivity summary.

In Table 6.6 the two runs reconciled by showing which decision routes remain stable, which judgments change with the selected benchmark, and which unknown cells remain unresolved in both comparisons.

6.1.1 Operational Resolution: From Public Screening to Due Diligence

An unresolved comparison is an instruction to investigate, not an empty or neutral cell [23, 85]. The matrix therefore operates across two explicit evidence phases:

Phase 1: public screening.
Audited disclosures, regulatory instruments, court records, and other verified public sources establish supported strengths and adverse conditions. Proprietary architecture, intellectual property, governance, and regulatory facts remain question marks.

Phase 2: confirmatory due diligence.
Each decision critical question mark receives an evidence owner, data room artefact, verification test, deadline, and approver. Before capital commitment, it must become +, −, or 0, or the opportunity remains on hold.

Table 6.7 shows the conditional resolution that would result if each decision critical question mark were replaced by evidence obtained through confirmatory due diligence. It does not claim that Prosus supplied proprietary evidence to this thesis. The values become decision grade only if the recorded confirmatory tests are completed and approved. The annotations are routes, not weights: $-^{S}$ requires redesign or rejection, while $-^{M}$ is allowed only when all five mitigability conditions above are evidenced.

The complete rationale, evidence boundaries, citation chain, and confirmatory verification test for every rating are reported in Appendix C, Table C.1.

Candidate	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11
Tencent, datum	0	0	0	0	0	0	0	0	0	0	0
iFood	$-^{S}$	$-^{S}$	+	+	0	$-^{S}$	+	+	$-^{S}$	$-^{M}$	$-^{M}$
PayU	+	+	0	+	+	+	+	+	0	$-^{M}$	+
Byju's	+	+	−	−	−	−	$-^{S}$	$-^{M}$	+	+	+

Table 6.7: Conditional resolution of the Opportunity Screening Matrix using Tencent as the datum.

Synthesis and Decision Logic: Why Ordinal Results Cannot Be Summed

Only legally eligible proposals reach the matrices. A supported minus prompts redesign, acceptance of a named constraint, or elimination. A question mark prompts information gathering.

A plus marks a relative strength but cannot cancel an adverse legal result or governance failure. Any net total, including a purported "+6" result for Byju's, would violate the framework's noncompensatory and nonsumming rule.

Tencent and iFood answer different questions. Tencent represents exceptional external ecosystem scale under minority influence, while iFood represents a controlled platform that Prosus can govern actively. Neither datum is universally correct, and running both exposes reference dependence without treating the four companies as equivalent engineering concepts. Tencent serves as a strategic, ecosystem, ownership, and governance benchmark. It is not used to assess Chinese law, while legal eligibility remains determined by the Stage 1 gate within the jurisdictions defined in Section 1.4.

The Byju's row records weak intervention capacity and degraded reporting relative to both benchmarks. It does not claim that two governance criteria caused the collapse. A positive rating (+) on modularity (C1, C2) or capability independence (C9) in an asset such as Byju's must not be confused with operational success; rather, it highlights complete architectural isolation and the absence of any realized synergy or technological integration with the parent. It does not claim that two governance criteria caused the collapse. Chapter 5 treats the outcome as multicausal, including market normalisation, expansion and cost commitments, the US$1.2 billion Term Loan B and default, reporting failures, founder and board conflict, and the limits of investor rights. The matrix flags entry conditions but it cannot assign causal weights to later events.

Ownership context. The worked comparison uses FY2025 control-tier disclosures: Tencent 23.49 per cent, iFood 95.66 per cent, PayU 100 per cent, and Byju's fully written off at a residual stake below 10 per cent [5]. Each live use must refresh ownership, legal status, and evidence before the gate is applied.

6.2 Portfolio Balance Model

The second framework developed in this thesis is the Portfolio Balance Model. It combines three elements: legal ownership and control, functional role, and economic exposure. Together, these elements show how existing portfolio companies can be classified and governed without assuming that financial importance, strategic role, and intervention capacity are equivalent.

Role and ownership map

A single portfolio label hides platform hybridity. The model records legal ownership tier separately from every functional role that an asset performs. The legal tier defines the feasible governance set, while functional roles explain why the asset is held and which dependencies or safeguards require attention. These roles are case-derived categories and are neither universal

nor exhaustive.

Table 6.8 applies this distinction to five portfolio assets. It shows that functional importance does not by itself determine the governance capacity available to Prosus, because the available safeguards remain constrained by the legal ownership tier. The ownership figures are drawn from Prosus N.V. [5] and later 2026 group disclosures.

Asset	Legal ownership tier	Functional role or roles	Governance posture and safeguards
iFood	Controlled subsidiary, 95.66%	Core regional operating platform; local commerce anchor	Strategic and budgetary intervention within delegated authority; LGPD and competition-remedy monitoring; separation register for shared capabilities
PayU / Mindgate	Controlled subsidiaries, 100% / 70%	Horizontal capability asset; regulated domestic payments gateway	Entity-level regulatory ring fencing; documented service terms; local board and licence constraints; tested operating independence
Tencent	Equity associate, 23.49% in FY2025 and about 22.7% in March 2026	External ecosystem benchmark; financially material liquidity source	Relationship and board monitoring within minority rights; no assumed ability to mandate architecture or data integration
Delivery Hero	Financial holding, 16.8% in mid-2026	Restrained financial asset after a regulatory carve-out	No governance participation contrary to the merger remedy; monitoring, liquidity planning, and separability
Byju's	Impaired historical minority investment, below 10% and written off	Historical high-growth investment; governance and loss-learning case	Legal and recovery track; no claim that governance limits alone caused the loss

Table 6.8: Portfolio role, ownership, and governance map.

PayU illustrates why both records are required. It is a controlled operating business, a provider of payments capability to other commerce assets, and a set of regulated local entities. Those roles can coexist, but they do not remove regulated-entity boards, customer-data boundaries, minority interests, or transfer-pricing obligations.

Economic exposure ledger

Qualitative role counts do not establish portfolio balance. Each role map must therefore be paired with an economic exposure ledger, refreshed at each reporting date and before a material capital-allocation decision. Invested capital is recorded separately from fair value so that operating return and valuation uplift are not collapsed into one measure. Fair value should follow the applicable accounting basis and a documented private-capital valuation process consistent with the principles-based IPEV Guidelines where relevant [88].

Table 6.9 specifies the economic evidence that must accompany the role and control map. It prevents strategic importance or governance reach from being treated as evidence of financial

contribution, liquidity, or portfolio balance.

Ledger field	Decision use	Minimum evidence
Fair value and NAV concentration	Identifies dependency on one asset and tests whether role diversification masks capital concentration	Valuation date, method, ownership-adjusted fair value, and concentration share
Unfunded commitments and guarantees	Measures future cash calls and contingent support	Contractual schedule, currency, seniority, trigger, and expiry
Segmental ROIC and cash conversion	Separates strategic narrative from economic contribution	Invested-capital bridge, attributable cash flow, and consistent segment perimeter
Liquidity and exit capacity	Tests whether apparent NAV can fund commitments or buybacks	Trading restrictions, market depth, lockups, disposal tax, and buyer constraints
Currency and geographic exposure	Connects value at risk to jurisdictions and funding currencies	Currency mix, operating geography, sensitivity, and hedging position
Related-party capability transfers	Prevents unpriced value transfer, tax-base distortion, and minority-shareholder conflict	Formal service agreement, benefit test, cost allocation, IP ownership, and arm's-length pricing support

Table 6.9: Economic exposure ledger.

Cross-border services and capability sharing should be documented under a formal Master Services Agreement or equivalent intercompany agreement consistent with the OECD arm's-length principle [89]. The agreement should define scope, pricing, intellectual property and data rights, required approvals, minority interests, and termination.

Dual-record model. The role and control map and the economic exposure ledger should be used together; neither substitutes for the other.

The Portfolio Balance Model supports RQ1 by connecting strategic role to capital exposure rather than counting assets. It supports RQ2 by showing that governance depth should vary with rights, regulated-entity constraints, functional dependency, and economic materiality. The objective is not equal integration, but a portfolio in which role, rights, capital exposure, and safeguards remain explicit.

6.3 Lifecycle Governance Trigger Framework

The third framework defines warning signs in advance, grades their severity, and tests whether Prosus has enforceable rights to respond before a problem escalates. Governance therefore changes with the strategic, operational, and regulatory position of an asset rather than remaining fixed at entry.

Three-level warning and response structure

The framework separates early warnings, governance concerns, and defaults by time and severity. The 20 per cent and 30 day thresholds are starting points for a transaction specific covenant schedule, not empirically validated universal cut offs. Every indicator and response clock must be calibrated to the asset and embedded in enforceable documents. Table 6.10 converts this principle into observable warning levels, response times, and governance actions so that escalation is defined before deterioration occurs.

Alert tier	Observable indicators	Response clock	Feasible action
Tier 1: Early warning	Cash burn more than 20 per cent above the approved 13-week liquidity forecast; covenant headroom decline; key technology or control-function departure; unusual customer churn; abnormal cloud or payment exceptions	Review within five business days, or faster if liquidity requires	Validate source data; convene finance and technical review; pause discretionary follow-on funding where rights permit; increase reporting frequency
Tier 2: Governance concern	Agreed monthly accounts more than 30 days late; auditor scope limitation; repeated CFO turnover; unresolved related-party transaction; material breach of information rights	Contractual cure notice measured in days, with immediate escalation for suspected concealment	Exercise springing information and audit rights; appoint an independent forensic reviewer where the trigger is met; escalate reserved matters or board process; assess funding and legal protections
Tier 3: Default or failure	Term Loan B or other debt covenant default; lender acceleration notice; licence revocation or suspension; insolvency filing; loss of control over pledged assets	Immediate emergency track	Execute available put, security, recovery, ring-fencing, receivership, or exit rights subject to governing law and creditor priority

Table 6.10: Lifecycle warning levels and governance responses.

The Byju's case shows the boundary between awareness and agency. Board representation and concern did not guarantee information quality or the power to impose a remedy. The response is not to assume that every minority investor can demand operating control. It is to define, price, and negotiate the rights needed for the specific risk before investment, and to reject the governance-dependent thesis when those rights are unavailable.

Rights required before investment

The schedule below converts each alert into rights that can be examined before signing. No right is treated as universal or self executing. If a required right is unlawful, commercially unavailable, or practically unenforceable, the investment thesis must be redesigned or rejected rather than

assuming later intervention. Table 6.11 links each identified risk to a candidate control and the feasibility test needed to determine whether that control can actually be exercised.

Risk	Candidate right or control	Feasibility test
Information delay	Dated management accounts, liquidity and covenant reporting, audit access, and direct delivery to investor representatives	Lawful access, data minimisation, reliability of source systems, remedy for breach, and compatibility with other investors' rights
Financial concealment or related-party risk	Springing forensic audit right with document preservation and authority to appoint an independent qualified firm	Appointment authority, scope, privilege, cost, local-law enforceability, access to records, and whether a named Big Four firm is permissible and independent
Governance breakdown	Springing board or committee rights, reserved matters, observer rights, or an escalation committee after a defined breach	Corporate-law validity, regulated-entity approval, fiduciary duties, co-investor consent, and whether the right can actually be exercised
Default and recovery	Pre-negotiated funding stop, put, security, drag-along, sale cooperation, or ring-fencing provision	Creditor priority, insolvency law, valuation mechanism, counterparty ability to pay, and remedy enforceability

Table 6.11: Rights required before investment.

The six original lifecycle events remain monitoring inputs. Ownership or control changes, regulatory reclassification, inclusion in a shared capability, approaching legal commencement, and strategic-materiality changes route to Tier 1 review unless they create an immediate legal hold. Information failure routes to Tier 2. Covenant breach, licence suspension, and creditor enforcement route to Tier 3. Each event is observable and dateable, but the response depends on rights secured at entry.

6.4 Regulatory Exposure and Capability Governance Logic

The fourth framework developed in this thesis is the Regulatory Exposure and Capability Governance Logic. It governs AI, data, and platform capabilities when regulatory exposure differs across markets and business models. For Prosus, capability sharing is a potential source of portfolio-level value because iFood, OLX, PayU, eMAG, and Despegar generate operational, transactional, and behavioural data that may support recommendation, fraud detection, customer personalisation, demand forecasting, pricing, logistics, and customer-service capabilities.

These opportunities cannot be treated only as technical or strategic questions. Payment data from PayU, customer and delivery data from iFood, and marketplace data from OLX may create analytical value while remaining sensitive under data-protection, financial-services, consumer-protection, competition, or foreign-ownership rules. The legal position must therefore be

established before integration value is considered. Figure 6.2 maps legally eligible capabilities by integration value and residual regulatory exposure, producing four distinct governance responses.

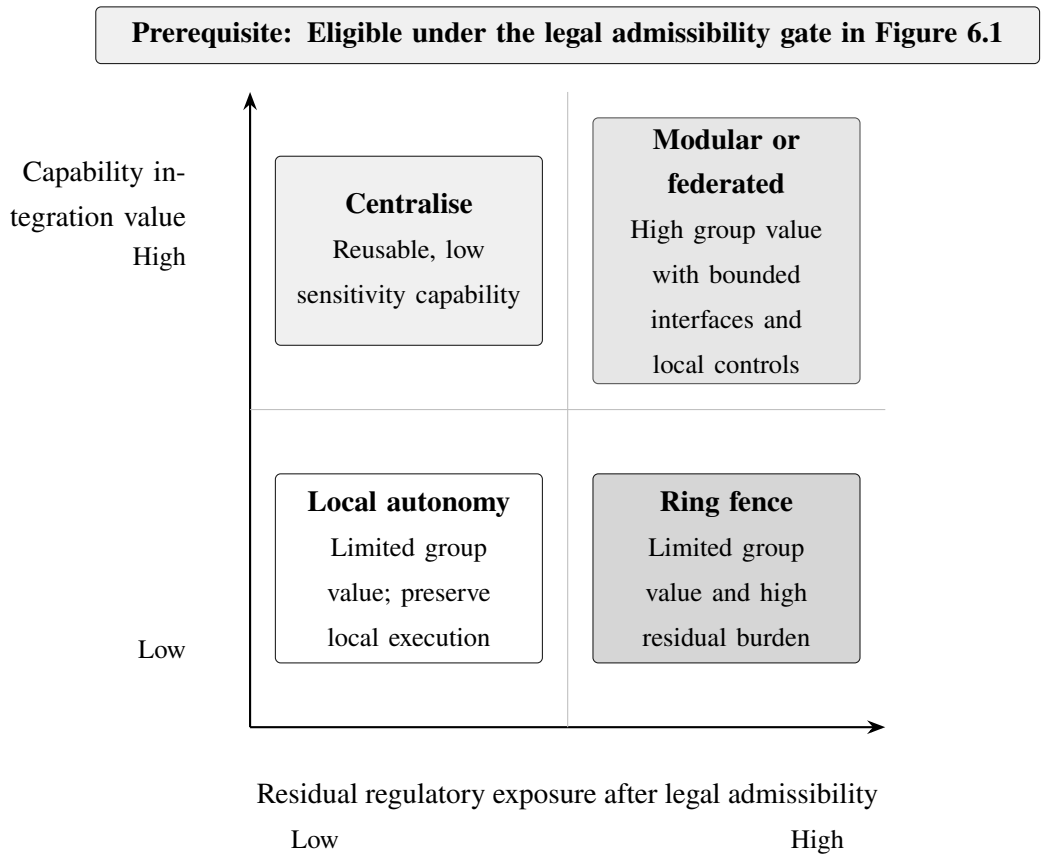

Figure 6.2: Capability governance quadrant for legally eligible designs.

The framework applies only after the legal gate in Figure 6.1 has classified a defined design as eligible. A held or ineligible design does not enter the quadrant. For an eligible design, capability integration value records the extent to which a specific capability can create value beyond one company. Residual regulatory exposure records the compliance, assurance, governance, and change risk that remains after a lawful route and credible architecture have been established. It is not a measure of whether an unlawful design may be accepted.

The quadrant creates four governance responses. High integration value with low residual exposure supports centralised sharing of capabilities such as general AI tools, reusable technical modules, internal productivity agents, or non-sensitive analytical methods. High value with high exposure requires a modular or federated approach with bounded access, local accountability, and a design justified for the specific use case. Low value with low exposure supports local autonomy because forced integration would add coordination cost without sufficient portfolio benefit. Low value with high exposure requires ring fencing, limited dependency, and preservation of divestment flexibility. These are candidate governance responses, not architectures required by any cited law. Their suitability depends on the defined data, purpose, actors, jurisdictions, technical design, and legal provisions effective at the decision date.

Three-plane reference architecture

The quadrant selects a governance posture but does not by itself specify an implementable system. Figure 6.3 translates the selected modular or federated response into a conditional reference architecture that separates group standards and governance, regional implementation and accountability, and protected company data. It is not a description of Prosus's disclosed LCM topology. Model location, data movement, access, and accountability must be configured for the verified use case and governing law. Its control logic is consistent with the lifecycle emphasis of NIST AI RMF and ISO/IEC 42001 [90, 91].

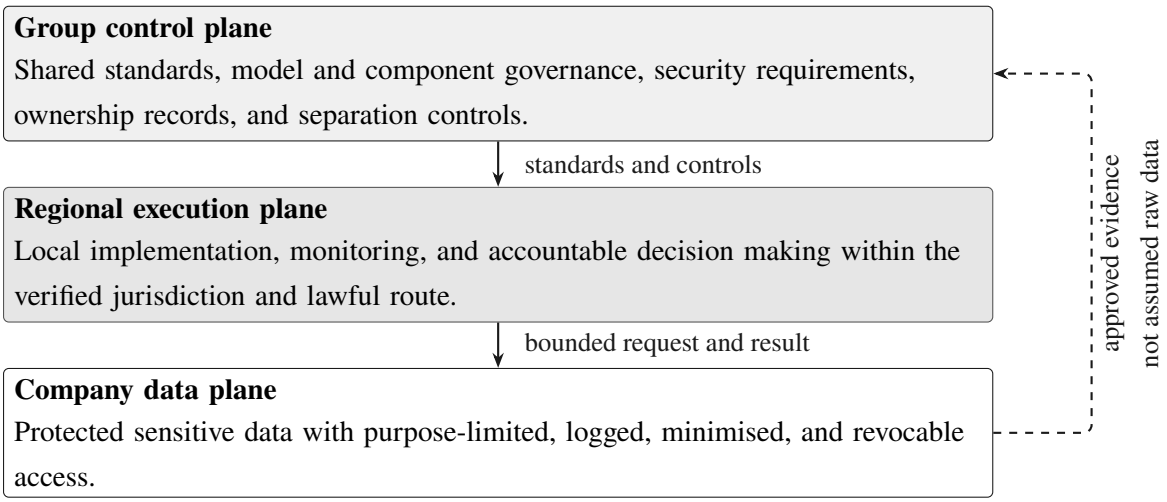

Figure 6.3: Conditional three plane architecture for legally eligible AI capability sharing.

Federated and privacy-preserving designs can reduce central data movement, but they introduce technical and governance costs. Distributed data may produce unstable local updates and uneven model quality, while privacy controls can reduce utility if they are not calibrated to the dataset, task, and evaluation design. Regional execution may also increase latency, cloud cost, and operating complexity. These designs are therefore neither automatically lawful nor technically superior. The legal gate, threat model, performance test, and exit test apply to the concrete mechanism rather than its label.

Separability and exit principle

The same integration that creates value during ownership can reduce the value available at exit. Shared models, data pipelines, identity services, interfaces, specialist teams, licences, and vendors can leave a subsidiary dependent on a wider group architecture that a buyer cannot operate independently. A perpetual licence snapshot is therefore not an operating business. Separation must remain a continuously testable capability rather than a document assembled after a sale decision.

The transaction controls fall into five families. **Custody** requires verified access to the code,

models, build artefacts, infrastructure records, and other technical assets needed to operate or separate the business. **Portability** requires a tested route for replacing shared services, together with evidence of the time, cost, and performance consequences of separation. **Provenance** establishes ownership, licensing, model lineage, component history, and lawful data rights. **Transition** defines the priced, time bounded, and milestone based support required while the buyer or subsidiary assumes independent operation. **Fiduciary separation** manages conflicts among the parent, subsidiary, buyer, and regulated entities through controlled information access, conflict registers, clean team arrangements, and recusal rules. Appendix C.1 preserves the complete nine point checklist and transaction drafting detail. Moving the detail does not weaken the principle: integration should be approved only when the asset can still be governed, valued, and separated on credible terms.

Applied to Prosus, internal AI agents may support broader sharing when they concern productivity, reporting, or operational support and do not require sensitive cross-company data. PayU's payment and fraud capabilities may have high integration value but also high regulatory sensitivity, which may favour modular or federated governance. iFood's customer and delivery data require defined boundaries for cross-company use. OLX recommendation and trust systems may be shareable where data can be protected and local rules respected. Despegar's integration with iFood can create ecosystem value, but customer-data and loyalty arrangements still require separate legal and architectural scrutiny.

The framework supports RQ3 by showing that regulation does not simply prevent capability sharing; it changes its feasible governance form. Prosus can create portfolio-level value from AI and data where legal eligibility, governance rights, measurable capability value, and future separability are maintained together. In low-exposure settings, centralisation may be efficient. In higher-exposure settings, modularity, local accountability, or ring fencing may preserve capability value without treating commercial benefit as compensation for an unlawful design.

6.5 Integrated M&A Stage-Gate Workflow

The four tools are useful only if they control a decision sequence. Table 6.12 therefore binds each framework to a transaction stage, a required deliverable, and a gate condition. The workflow is a thesis-derived operating proposal, not a claim about Prosus's current internal process.

Deal stage	Applied tool	Required deliverable and exit condition
1. Pipeline screening	Two stage legal gate	Current law route established. A currently unlawful design stops. Scheduled legal exposure is assigned to a dated condition, redesign, or monitoring action.
2. Comparative diligence	Dual-datum Pugh runs	Identical evidence pack applied to both datums. Every adverse and unknown cell has an owner and route. The five-part mitigability test is applied before any $-^{M}$ label.
3. Capital underwriting	Financial risk handoff	DCF, IRR, multiple, remediation cost, downside scenario, liquidity, and contractual protection reflect the identified risks. No fixed premium is supplied by the Pugh matrix.
4. Portfolio allocation	Role map and exposure ledger	Legal ownership tier, functional roles, fair-value concentration, commitments, ROIC, liquidity, and geographic or currency exposure are recorded. Related-party capability sharing has documented terms.
5. Operating governance	Tiered trigger architecture	Monitoring indicators, cure periods, decision rights, and escalation owners are contractually feasible and assigned before capital is committed.
6. Capability and exit	Capability logic and exit blueprint	Data and execution boundaries, dependency register, escrow or repository access where appropriate, replacement path, and transition-service plan are tested against an executable carve-out scenario.

Table 6.12: Integrated six-stage M&A workflow linking the four thesis tools to decision gates.

7

Discussion

The analysis in Chapter 5 and the four frameworks built from it in Chapter 6 support four broader observations about how a global digital holding company governs a portfolio under regulatory fragmentation. The revised role vocabulary and dual-datum analysis resolve the earlier Tencent and iFood classification conflict while preserving the limits of comparison.

7.1 Strategic Coherence and Portfolio Evolution

The single clearest finding to emerge from §5.1 is that Prosus's portfolio contains different forms of platform value that should not be collapsed into one label. Tencent is an external ecosystem and financial benchmark under minority influence. iFood is a controlled operating platform. PayU and other controlled businesses provide sector and capability depth. The LCM is best read as a branded attempt to create shared commerce AI capability across these businesses, not as a publicly verified unified foundation model.

The Invalidation Criteria in §3.2.3 require either attributable portfolio-wide gains without a common architecture or a formal shift away from the operating-platform thesis. Neither condition is established by the available evidence, so the Platform Deficit remains a conditional diagnosis.

7.2 Governance Across Ownership Positions

§5.2 shows that governance depth at Prosus tracks ownership position, but not in a simple linear way. Mindgate demonstrates that board control can precede economic majority ownership, while Delivery Hero shows governance participation being removed by a regulatory remedy. Tencent and Byju's were not structurally identical positions and their stakes, strategic roles, rights, management conditions, financing exposure, and required interventions differed. Byju's deterioration was multicausal. Prosus's position constrained monitoring and intervention, but it did not independently cause the collapse.

7.3 Modularity as Strategic Infrastructure

§5.3 and the architectural literature reviewed in §2.5 suggest that modularity should be treated as a strategic asset. If LCM components or data pipelines create cross-company dependency, future separation may become harder. Public evidence does not establish that this dependency currently exists. The framework therefore requires internal verification of component ownership, interfaces, data movement, model portability, and exit rights before choosing a centralised or modular design.

7.4 Regulatory Fragmentation

The regulatory picture developed in §5.3.2 and Table 5.3 is that digital sovereignty is not a single constraint but a jurisdiction and time specific bundle of mechanisms that must each be assessed on its own terms and timeline. The India case is the clearest illustration: the Digital Personal Data Protection Act's transfer-restriction provision was not yet in force at the research cut-off and is scheduled to commence on 13 May 2027, so the correct strategic posture at the June 2026 research cut off is preparation rather than reaction. The Brazil case shows the opposite trajectory that European Commission's January 2026 adequacy decision reduced transfer-mechanism friction for covered EU-to-Brazil flows without removing processing duties. Both cases support the same structural point that regulatory exposure is not a static property of a jurisdiction that can be assessed once and carried forward. It is a moving constraint that a portfolio governance framework has to re-check.

7.5 Limitations of the Study

Four categories of limitation apply to this thesis. Each is stated explicitly rather than absorbed silently into the surrounding analysis.

Data currency and verification. The ownership data are time bounded because percentages change across reporting dates and transactions. This thesis relies substantially on Prosus annual reports and results materials available by June 2026. iFood was 95.66 per cent owned as of FY2025. Tencent's stake appears as approximately 23.5 per cent and 22.66 per cent because the figures refer to different reporting dates within a declining holding, not because the chapters apply inconsistent definitions. Appendix A.1 records the applicable dates and sources. The same temporal limitation applies to eMAG and Swiggy: eMAG remained majority controlled at the June 2026 research cut off, while Prosus's stake in Swiggy continued to dilute through secondary sales. These ownership figures should therefore be interpreted as dated observations rather than fixed portfolio characteristics.

Reference dependence and evidence limits. Tencent remains the external ecosystem and

financial benchmark under minority influence, while iFood remains the controlled operating platform. Chapter 6 uses both as datums because each tests a different strategic hurdle. The resulting changes in several judgments demonstrate reference dependence without treating the four heterogeneous companies as equivalent engineering concepts. LCM architecture and several matrix cells remain unknown because public evidence is insufficient.

Evidence provenance boundary. The study had no access to a Prosus virtual data room, shareholder agreements, board packs, code repositories, model weights, MLOps systems, cloud and data flow inventories, regulatory correspondence, or transaction valuation models. Consistent with the verified public evidence standard in Section 4.2.3, the detailed controls in Chapter 6 are design propositions and auditable confirmatory due diligence requirements, not verified descriptions of Prosus practice. Prosus's figures for more than 20,000 AI agents and cross portfolio synergy experiments are verified only as issuer disclosures. They are not independent evidence of deployment quality, attributable productivity, realised margin, or portfolio wide LCM causality. Unknown technical topology claims remain unknown until the named artefacts, owners, tests, deadlines, and approvals in the diligence blueprint are completed. Fixed financial adjustments, escrow sizes, response deadlines, and control rights must be derived from transaction specific evidence and governing law. Public evidence is insufficient to claim that any one proposed control would have prevented the Byju's loss or that the proposed three plane architecture is already deployed.

Premortem and disconfirmation boundary. The conclusions assume only the governance and technical arrangements visible in public disclosures. The framework would require material revision if confidential evidence showed that Prosus already operates binding programmatic telemetry, pre negotiated forensic step in rights, tested regional data boundaries, and executable carve out procedures that close the public evidence gaps identified here. Such evidence would not invalidate the need for the controls, but it would invalidate the claim that the controls are missing in practice.

8

Conclusion and Future Research

This thesis set out to examine how Prosus N.V. manages strategic product portfolio decisions, governance structures, and value creation across a global digital platform investment portfolio under increasing regulatory and digital sovereignty constraints. This closing chapter summarises what the analysis found against each research question, states the thesis's theoretical and practical contributions, and identifies where the analysis stops short of a complete answer.

8.1 Summary of Findings

On RQ1, Prosus selects opportunities through an acquisition-led, ecosystem-oriented logic that has historically been strong on market attractiveness and weaker on governance and regulatory screening. Tencent and iFood provide different and stable benchmarks that one being external ecosystem scale under minority influence and another being controlled operating capacity. On RQ2, ownership defines only part of the feasible governance set. The Byju's write-off followed interacting market, operating, financing, reporting, and governance failures. Prosus's position constrained intervention but was not a sufficient cause. On RQ3, Prosus's LCM programme may create parenting advantage, but the architecture and portfolio-wide performance effects remain unverified. Legal admissibility must be established before residual regulatory burden is compared.

8.2 Theoretical Contributions

The thesis's primary theoretical contribution is integrative rather than the extension of one framework. A secondary contribution is methodological that the legal gate prevents ordinal comparison from masking an unlawful design, while paired Tencent and iFood runs make datum sensitivity visible. The symbols are not summed. Unknown evidence remains explicit, and neither matrix is treated as a causal model of Byju's collapse.

8.3 Practical Implications for Digital Investment Portfolios

For Prosus specifically, the four frameworks developed in Chapter 6 offer a concrete, if incomplete, governance system: a screening matrix that identifies governance and regulatory risks and hands them into financial underwriting, a balance model that separates ownership tier, functional role, and economic exposure, a trigger framework that revisits governance depth at observable events and connects escalation to feasible rights, and a capability-governance logic that selects an architecture only after legal admissibility and preserves an executable exit route. For digital holding companies more broadly, the transferable lesson is that governance tools built for traditional, single-jurisdiction diversified firms understate two variables that matter specifically for cross-border digital platforms. the feasibility of actually exercising the control that an ownership stake implies, and the separability of shared technical infrastructure at the point a business needs to be divested.

8.4 Directions for Future Research

Four extensions follow directly from the limitations. First, the dual datum procedure should be tested prospectively on a real investment decision, with the same evidence pack reviewed by independent decision teams. Second, the two stage legal gate should be tested on a live transaction exposed to phased commencement or regulatory discretion, recording whether the conditional route preserves deal optionality without weakening current law admissibility. Third, the proposed three plane capability architecture and exit blueprint should be tested through an actual carve out exercise using internal model lineage, component ownership, interfaces, data movement, service level, and separation right evidence. Fourth, the governance frameworks should be tested against another cross border digital holding company to determine whether the trigger tiers, mitigability test, exposure ledger, and role categories generalise beyond Prosus.

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A

Prosus Portfolio Overview (FY2025)

A.1 Portfolio Companies by Ownership Structure

Figures below are drawn from Prosus's FY2025 Integrated Annual Report, Note 8 (consolidated subsidiaries) and Note 9 (equity-accounted associates and joint ventures) [5], cross-checked against 2026 group disclosures where a stake has since moved. Two corrections to earlier working assumptions in this thesis are flagged directly in the table rather than silently carried forward.

Table A.1 distinguishes the ownership positions and jurisdictions of the controlled businesses used in the analysis.

Company	Ownership	Sector	Jurisdiction	Note
iFood	95.66% (FY2025, down from 97.10%)	Food delivery	Brazil	Controlled operating platform. The residual decline is attributed to employee equity schemes, not a further sale. IFRS 10 control applies regardless of the exact percentage.
Despegar	100% (acquired May 2025)	Travel	Latin America	Included in LCM cross-portfolio synergy programme; iFood-referral cross-sell = 5% of net revenue within 5 months of the deal [40].
PayU	100% (parent, IFRS 10 control)	Fintech / payments	India, Turkey, SEA	Mindgate 70% (30% minority recognised on acquisition); iyzico raised to 100% via FY2025 minority buyout from 86.40%.
OLX Global B.V.	99% (1% residual minority)	Classifieds	Multi-geography (EU, LatAm, SA)	IFRS 10 consolidated subsidiary, control tier.
Dante International S.A. (eMAG)	88.23% (FY2025)	Ecommerce	Romania / SE Europe	Controlled subsidiary under IFRS 10, with a residual minority interest at the research cut off.

Table A.1: Controlled portfolio companies by ownership, sector, and jurisdiction.

Table A.2 identifies the minority positions whose economic exposure must be distinguished from operational control.

Company	Ownership	Sector	Jurisdiction	Note
Tencent Holdings Ltd	23.49% (FY2025) → ~22.7% (31 Mar 2026)	Platform / gaming	China	**Resolves the earlier flagged conflict**: Ch.3's ~23.5% and Ch.5's 22.66% are not contradictory figures, they are two points on the same declining trend, driven by the buyback-funded sell-down programme. Equity-accounted associate, IAS 28.
Swiggy Ltd	25.90% (FY2025, post-IPO) → ~25% (2026)	Food delivery / quick commerce	India	Diluted from ~32.65% pre-IPO (Nov 2024) via IPO and secondary sales (~US$452m raised). Two board seats retained.
Byju's	<10% (fully written off)	EdTech	India	Full write-off ≈$493–536M (sources vary on the exact figure), FY2024.
Delivery Hero SE	27.40% (FY2025) → 16.8% (mid-2026)	Food delivery	Germany / global	Two further disposals in 2026 (Aspex 5%, Uber 4.5%) following the Just Eat Takeaway merger remedy; irrevocable undertaking (July 2026) to sell the residual stake to Uber.

Table A.2: Minority portfolio investments by ownership, sector, and jurisdiction.

A.2 Key Financial Indicators by Segment

Table A.3 brings together the financial indicators used to assess the selected companies and the wider portfolio.

Company / segment	Indicator	Source
iFood	MOIC ≈2.8×; GMV +32%, Orders +29%, aEBIT $98m record (+387%) HY2025	§3.2.1; local portfolio data [5, 57]
PayU	FY2026 aEBITDA: −$25M → +$18M; revenue →$781M	Section 5.2.4; FY2025 comparable baseline: [21]; FY2026 figures: [75, p. 2]
Despegar	iFood-referral cross-sell = 5% of net revenue within 5 months of acquisition [40]	HY2026 results presentation
OLX Group	aEBIT +42% to $133m; margin +6pp to 33%, HY2025	Local portfolio data [57]
Byju's	Full write-off ≈$493–536M	§3.2.1 (figure not fully reconciled across sources)
Tencent	≈85% of group NAV; ≈$179B	§3.2.1
Group (Prosus)	Ecosystems aEBIT: $38M (FY2024) → $443M (FY2025) → $913M (FY2026, per revenue base of $9.7bn); consolidated FCF ≈$1.5bn (FY2026); FCF excl. Tencent dividend: first positive at $36M, FY2025	[8, 12, 40]; FY2026 revenue, aEBIT (US$913M), and consolidated FCF: [21]; [75, pp. 1–2]

Table A.3: Selected financial indicators by company and segment.

The per-company growth rates below, previously marked `n/d` in this table, are drawn from Prosus's own Capital Markets Day materials [12] and close the OLX and eMAG evidence gap flagged repeatedly through this thesis (§6.1's screening matrix, §6.2's balance model).

Table A.4 compares revenue and profitability growth, separating commercial expansion from changes in earnings.

Company	3yr revenue CAGR	3yr aEBITDA CAGR	Note
iFood	+28%	+51%	"Strong performer, scaling and profitable"
OLX Group	+18% (ex. OLX Autos)	+37%	Same category as iFood
iyzico (part of PayU)	+73%	+69%	Highest growth rate in the portfolio
eMAG	+3%	+56%	"Challenges but on the right track" - revenue growth is the weakest of the controlled assets even as profitability scales
PayU (parent)	+26%	n/d - not disclosed at this level	-
Just Eat Takeaway	−2%	+49%	"Enhancement of ecosystems" tier; declining revenue, improving margin
Despegar	+34%	+85%	Highest combined growth-plus-margin profile disclosed

Table A.4: Reported three year revenue and adjusted EBITDA growth by company.

All figures per Prosus N.V. [12], three-year CAGR to FY2025 unless noted. eMAG's weak revenue growth against strong aEBITDA growth is consistent with Prosus's own "challenges but on the right track" framing. Its FY2025 ownership consolidation should not be treated as evidence of operational strength alone; it may also reflect a decision to retain and consolidate a slower growing asset rather than exit it.

A.3 Portfolio Population and Analytical Selection

Table A.5 records the complete March 2026 portfolio population used to construct the embedded case sample. It separates population membership from the deeper analysis applied to selected companies.

Table A.5: Portfolio population used for sample construction, based on the official Prosus portfolio snapshot compiled in March 2026. Ownership is reported only at the level supported by the disclosed record; otherwise it is marked as not separately disclosed.

No.	Company	Segment	Geography	Ownership disclosure	Portfolio status	Primary source
1	99minutos	Food Delivery / Logistics	Mexico / Colombia / Chile / Peru	Non controlled investment	Ventures Active	Prosus portfolio
2	Advolve.AI	AI / MarTech	Brazil (iFood)	Not separately disclosed	Acquired by portfolio	Prosus portfolio
3	Airmeet	Enterprise SaaS / Events	USA (remote-first)	Non controlled investment	Ventures Active	Prosus portfolio
4	Arivihan	EdTech	India	Non controlled investment	Ventures Active	Prosus portfolio
5	Aruna	Agri-tech / Marketplace	Indonesia	Not separately disclosed	Listed in March 2026 portfolio	Prosus portfolio
6	AutoTrader	Classifieds / Auto	South Africa	Wholly owned	Acquired by portfolio	Prosus portfolio
7	Autovit.ro	Classifieds / Auto	Romania	Wholly owned	Acquired by portfolio	Prosus portfolio
8	Avant Arte	Art Marketplace	Europe / Global	Non controlled investment	Ventures Active	Prosus portfolio
9	Azos	Insurtech	Brazil	Non controlled investment	Ventures Active	Prosus portfolio
10	BandLab	Music Tech / Social	Global	Non controlled investment	Ventures Active	Prosus portfolio
11	BeConfident	EdTech / AI	Global	Non controlled investment	Ventures Active	Prosus portfolio
12	Bibit	Fintech / Investments	Indonesia	Non controlled investment	Ventures Active	Prosus portfolio
13	Bilt Rewards	Fintech / Loyalty	USA	Non controlled investment	Ventures Active	Prosus portfolio
14	Biome Makers	Agri-tech	Global	Non controlled investment	Ventures Active	Prosus portfolio
15	Brainfish	AI / Customer Experience	Global	Non controlled investment	Ventures Active	Prosus portfolio

Table A.5 continued

No.	Company	Segment	Geography	Ownership disclosure	Portfolio status	Primary source
16	Brainly	EdTech	Global (Poland / USA)	Non controlled investment	Active	Prosus portfolio
17	BUX	Fintech / Investments	Europe	Non controlled investment	Ventures Active	Prosus portfolio
18	Bykea	Mobility / Logistics	Pakistan	Non controlled investment	Ventures Active	Prosus portfolio
19	Captain Fresh	Agri-tech / Food	Global	Non controlled investment	Ventures Active	Prosus portfolio
20	Clarity	Enterprise SaaS / AI	Global	Non controlled investment	Ventures Active	Prosus portfolio
21	CodeKarma	Developer Tools	Global	Non controlled investment	Ventures Active	Prosus portfolio
22	Constantinople	Fintech / Banking	Global	Non controlled investment	Ventures Active	Prosus portfolio
23	Corti	HealthTech / AI	Global	Non controlled investment	Ventures Active	Prosus portfolio
24	Creditas	Fintech / Lending	Brazil	Non controlled investment	Ventures Active	Prosus portfolio
25	CuspAI	AI / Materials Science	Global	Non controlled investment	Ventures Active	Prosus portfolio
26	DappRadar	Web3 / Blockchain	Global	Non controlled investment	Ventures Active	Prosus portfolio
27	DeHaat	Agri-tech	India	Non controlled investment	Ventures Active	Prosus portfolio
28	Delivery Hero	Food Delivery	Global (EU / MENA / Asia)	Non controlled investment	Impaired (still held)	Prosus portfolio
29	Detect Technologies	AI / Industrial Safety	India	Non controlled investment	Ventures Active	Prosus portfolio
30	Dott	Micromobility	Europe	Non controlled investment	Ventures Active	Prosus portfolio

Table A.5 continued

No.	Company	Segment	Geography	Ownership disclosure	Portfolio status	Primary source
31	EduMe	EdTech / Workforce	Global	Non controlled investment	Ventures Active	Prosus portfolio
32	ElasticRun	E-commerce / Logistics	India	Non controlled investment	Active	Prosus portfolio
33	Ema	AI / Enterprise	Global	Non controlled investment	Ventures Active	Prosus portfolio
34	eMAG	E-commerce / Etail	Romania / SE Europe	Controlled investment	Active	Prosus portfolio
35	Endowus	Fintech / Wealth	Singapore / Asia	Non controlled investment	Ventures Active	Prosus portfolio
36	Equal	Fintech / Identity	India	Non controlled investment	Ventures Active	Prosus portfolio
37	Eruditus	EdTech	India / Global	Non controlled investment	Active	Prosus portfolio
38	EVERY Company	Food Tech	USA	Non controlled investment	Ventures Active	Prosus portfolio
39	Fashinza	Fashion / B2B Marketplace	India / USA / UAE	Not separately disclosed	Listed in March 2026 portfolio	Prosus portfolio
40	FiberSense	Infrastructure / IoT	Global	Non controlled investment	Ventures Active	Prosus portfolio
41	Flexion	Robotics / AI	Global	Non controlled investment	Ventures Active	Prosus portfolio
42	Flink	Food Delivery / Grocery	Germany	Non controlled investment	Ventures Active	Prosus portfolio
43	Foodics	Restaurant Tech / Fintech	MENA	Non controlled investment	Ventures Active	Prosus portfolio
44	Fundamental Research Labs	AI / Agents	Global	Non controlled investment	Ventures Active	Prosus portfolio
45	Good Glamm Group	E-commerce / D2C	India / South Asia	Non controlled investment	Active	Prosus portfolio
46	GoodHabitz	EdTech	Europe (Netherlands)	Controlled investment	Active	Prosus portfolio

Table A.5 continued

No.	Company	Segment	Geography	Ownership disclosure	Portfolio status	Primary source
47	GoStudent	EdTech	Europe / Global	Non controlled investment	Active	Prosus portfolio
48	GrowXCD	Fintech / Lending	India	Non controlled investment	Ventures Active	Prosus portfolio
49	Honor	HealthTech / Care	USA	Non controlled investment	Ventures Active	Prosus portfolio
50	iFood	Food Delivery	Brazil / LatAm	Controlled investment	Active	Prosus portfolio
51	Imovirtual	Classifieds / Real Estate	Portugal	Wholly owned	Acquired by portfolio	Prosus portfolio
52	Iniciador	Fintech / Open Finance	Brazil	Non controlled investment	Ventures Active	Prosus portfolio
53	Intella	AI / Speech	MENA (Arabic)	Non controlled investment	Ventures Active	Prosus portfolio
54	iyzico	Fintech / Payments	Turkey	Wholly owned	Acquired by portfolio	Prosus portfolio
55	Just Eat Takeaway.com	Food Delivery	Europe (16 countries)	Wholly owned	Active	Prosus portfolio
56	KGeN	Web3 / Gaming / AI	Global	Non controlled investment	Ventures Active	Prosus portfolio
57	Kismet	HealthTech / Community	Global	Non controlled investment	Ventures Active	Prosus portfolio
58	Klar	Fintech / Neobank	Mexico	Non controlled investment	Ventures Active	Prosus portfolio
59	Kovi	Mobility / Auto	Brazil	Non controlled investment	Ventures Active	Prosus portfolio
60	Lastro	PropTech / AI	Brazil	Non controlled investment	Ventures Active	Prosus portfolio
61	LazyPay	Fintech / Credit	India	Wholly owned	Acquired by portfolio	Prosus portfolio
62	Luzia	AI / Personal Assistant	Latin America / Global	Non controlled investment	Ventures Active	Prosus portfolio
63	Martian	AI / Infrastructure	Global	Non controlled investment	Ventures Active	Prosus portfolio
64	Meesho	E-commerce	India	Non controlled investment	Active	Prosus portfolio

Table A.5 continued

No.	Company	Segment	Geography	Ownership disclosure	Portfolio status	Primary source
65	Mensa Brands	E-commerce / D2C	India	Non controlled investment	Active	Prosus portfolio
66	merXu	E-commerce / B2B	Poland / CEE	Non controlled investment	Active	Prosus portfolio
67	Mevo	HealthTech	Brazil	Non controlled investment	Ventures Active	Prosus portfolio
68	Neara	Infrastructure / AI	Global	Non controlled investment	Ventures Active	Prosus portfolio
69	Nexad	AI / AdTech	Global	Non controlled investment	Ventures Active	Prosus portfolio
70	Oda	Food Delivery / Grocery	Norway / Finland / Germany	Non controlled investment	Ventures Active	Prosus portfolio
71	OLX	Classifieds	Global (EU / Asia / LatAm)	Wholly owned	Active	Prosus portfolio
72	OLX Brazil	Classifieds	Brazil	Wholly owned	Acquired by portfolio	Prosus portfolio
73	Onsi	HR Tech / Benefits	Global	Non controlled investment	Ventures Active	Prosus portfolio
74	Orbii	Fintech / Credit	MENA	Non controlled investment	Ventures Active	Prosus portfolio
75	Otodom	Classifieds / Real Estate	Poland	Wholly owned	Acquired by portfolio	Prosus portfolio
76	OTOMOTO	Classifieds / Auto	Poland	Wholly owned	Acquired by portfolio	Prosus portfolio
77	Oxford Ionics	Quantum Computing	UK	Non controlled investment	Ventures Active	Prosus portfolio
78	PaySense	Fintech / Credit	India	Controlled investment	Acquired by portfolio	Prosus portfolio
79	PayU	Fintech / Payments	India / Turkey / SEA (40+ markets)	Wholly owned	Active	Prosus portfolio
80	PharmEasy	HealthTech / E-commerce	India	Non controlled investment	Active	Prosus portfolio
81	Platzi	EdTech	Latin America (Spanish / Portuguese)	Non controlled investment	Active	Prosus portfolio
82	Plerion	Cybersecurity / Cloud	Global	Non controlled investment	Ventures Active	Prosus portfolio

Table A.5 continued

No.	Company	Segment	Geography	Ownership disclosure	Portfolio status	Primary source
83	Prime Roots	Food Tech	USA	Non controlled investment	Ventures Active	Prosus portfolio
84	Property24	Classifieds / Real Estate	South Africa	Wholly owned	Active	Prosus portfolio
85	Qeen.AI	AI / E-commerce	Global	Non controlled investment	Ventures Active	Prosus portfolio
86	Quick Ride	Mobility / Carpooling	India	Non controlled investment	Ventures Active	Prosus portfolio
87	Rain	Fintech / Earned Wage Access	USA	Non controlled investment	Ventures Active	Prosus portfolio
88	Red Dot Payment	Fintech / Payments	Singapore / Asia Pacific	Controlled investment	Active	Prosus portfolio
89	Remitly	Fintech / Remittances	USA / Global	Non controlled investment	Active	Prosus portfolio
90	Republic	Fintech / Investment	USA	Non controlled investment	Ventures Active	Prosus portfolio
91	Sharebite	Food Benefits / HR Tech	USA	Non controlled investment	Ventures Active	Prosus portfolio
92	Shipper	Logistics / E-commerce	Indonesia	Non controlled investment	Ventures Active	Prosus portfolio
93	ShopUp	E-commerce / B2B	Bangladesh	Non controlled investment	Ventures Active	Prosus portfolio
94	SimilarWeb	Analytics / SaaS	Global	Non controlled investment	Ventures Active	Prosus portfolio
95	Skillsoft	EdTech / Corporate Learning	USA	Non controlled investment	Impaired (still held)	Prosus portfolio
96	Sololearn	EdTech	Global	Non controlled investment	Ventures Active	Prosus portfolio
97	Spendflow (Spendflo)	Enterprise SaaS	Global	Non controlled investment	Ventures Active	Prosus portfolio
98	SpotDraft	LegalTech / AI	USA / Global	Non controlled investment	Ventures Active	Prosus portfolio
99	Stack Overflow	Developer / EdTech	Global (USA HQ)	Wholly owned	Impaired (still held)	Prosus portfolio

Table A.5 continued

No.	Company	Segment	Geography	Ownership disclosure	Portfolio status	Primary source
100	Standvirtual	Classifieds / Auto	Portugal	Wholly owned	Acquired by portfolio	Prosus portfolio
101	Storia	Classifieds / Real Estate	Romania	Wholly owned	Acquired by portfolio	Prosus portfolio
102	Superside	Creative / Design SaaS	Global (remote)	Non controlled investment	Ventures Active	Prosus portfolio
103	Swiggy	Food Delivery	India (500+ cities)	Non controlled investment	Active	Prosus portfolio
104	Taktile	Fintech / Risk	Global	Non controlled investment	Ventures Active	Prosus portfolio
105	Tencent	Core Platform / Social / Gaming	China	Non controlled investment	Active	Prosus portfolio
106	Thndr	Fintech / Investments	Egypt / MENA	Non controlled investment	Ventures Active	Prosus portfolio
107	Tierra Biosciences	Biotech / AI	Global	Non controlled investment	Ventures Active	Prosus portfolio
108	Tonik	Fintech / Neobank	Philippines	Non controlled investment	Ventures Active	Prosus portfolio
109	Ula	E-commerce / B2B	Indonesia	Non controlled investment	Active	Prosus portfolio
110	Urban Company	Marketplace / Home Services	India / UAE / Singapore / Australia	Non controlled investment	Ventures Active	Prosus portfolio
111	Ursula	AI / Gaming / Entertainment	Brazil	Non controlled investment	Ventures Active	Prosus portfolio
112	Vegrow	Agri-tech / Marketplace	India	Non controlled investment	Ventures Active	Prosus portfolio
113	Virgio	Fashion / D2C	India	Non controlled investment	Ventures Active	Prosus portfolio
114	VOA Health	HealthTech / AI	Brazil	Non controlled investment	Ventures Active	Prosus portfolio
115	watchTowr	Cybersecurity	Global	Non controlled investment	Ventures Active	Prosus portfolio
116	Wibmo	Fintech / Payment Security	India / Global	Wholly owned	Acquired by portfolio	Prosus portfolio

Table A.5 continued

No.	Company	Segment	Geography	Ownership disclosure	Portfolio status	Primary source
117	Zapia	AI / Personal Assistant	Latin America	Non controlled investment	Ventures Active	Prosus portfolio
118	Zest Equity	Fintech / Private Markets	Global	Non controlled investment	Ventures Active	Prosus portfolio
119	Zooz	Fintech / Payments	Global	Non controlled investment	Ventures Active	Prosus portfolio
120	Zypl	Fintech / AI	Global	Non controlled investment	Ventures Active	Prosus portfolio

Source: official Prosus portfolio page snapshot, March 2026 [58]. Structured data extraction records were used to organise names and categories; they were not treated as independent evidence.

Table A.6 then identifies which companies enter each analytical strand and why they were selected.

Table A.6: Analytical company selection matrix showing how each embedded company or comparator contributes to the varying analyses.

Company	Ownership posture	Jurisdiction	Analytical use	Main locations	Inclusion rationale	Primary evidence
Tencent	Minority associate and external benchmark	China	Ecosystem, ownership, governance, and financial datum	Chapters 3, 5, and 6	Material NAV concentration and minority influence provide the external comparison without treating Tencent as a Prosus controlled architecture.	[5, 8]
iFood	Controlled operating platform	Brazil	Operating, governance, financial, and capability benchmark	Chapters 3, 5, and 6	Controlled platform with observable operating performance and regional data governance exposure.	[5, 57]
Swiggy	Minority listed investment	India	Ownership and governance comparison	Chapters 3 and 5	Contrasts material economic exposure with limited direct operating authority in a regulated Indian platform.	[5]
PayU	Controlled fintech platform	India and other markets	Governance, capability, and regulatory analysis	Chapters 3, 5, and 6	Connects controlled ownership with regulated payments infrastructure and cross portfolio capability questions.	[5, 40]
eMAG	Controlled ecommerce platform	Romania and Southeast Europe	Portfolio role, performance, and capability analysis	Chapters 3, 5, and 6	Provides a controlled European ecommerce case with distinct growth and regulatory conditions.	[5, 12]
Despegar	Wholly owned travel platform	Latin America	Acquisition, ecosystem, and capability analysis	Chapters 3, 5, and 6	Tests whether an acquired vertical can contribute to the Latin American ecosystem beyond standalone scale.	[5, 40]
OLX Group	Controlled classifieds platform	Multiple jurisdictions	Architecture, intervention, and performance analysis	Chapters 3, 5, and 6	Offers a controlled multi jurisdiction platform case with local operating brands and shared capability potential.	[5, 12]
Byju's	Minority investment, fully written off	India	Governance failure and lifecycle trigger case	Chapters 3, 5, and 6	Provides the principal adverse case for testing warning signs, intervention rights, and evidence bounded causal explanation.	[43]

Table A.6 continued

Company	Ownership posture	Jurisdiction	Analytical use	Main locations	Inclusion rationale	Primary evidence
Delivery Hero	Financial investment after governance restrictions	Germany and global markets	Ownership rights and regulatory remedy case	Chapter 5	Shows that an economically material holding can lose practical governance influence when board participation is restricted.	[5]
Mindgate	Controlled through board rights before majority ownership	India	Control rights case	Chapter 5	Demonstrates why board and decision rights can establish control before majority economic ownership is completed.	[5]
Just Eat Takeaway.com	Wholly owned after acquisition	Europe	Acquisition and ecosystem integration case	Chapter 5 and Appendix A	Represents a large controlled acquisition used to test ecosystem expansion and integration exposure.	[40]

A.4 Source Corpus Audit

Table A.7 distinguishes documents used as evidence from background material, structured data extraction records, and excluded generated synthesis.

Table A.7: Source file audit for the local reference corpus. A file is not treated as evidence merely because it is present in the research folder.

Local source file	Classification	Treatment in the thesis
2020 annual report.pdf	Used	Primary corporate disclosure in the longitudinal corpus; cited as Prosus N.V. [53].
2021 annual report.pdf	Used	Primary corporate disclosure in the longitudinal corpus; cited as Prosus N.V. [54].
2022 annual report.pdf	Used	Primary corporate disclosure in the longitudinal corpus; cited as Prosus N.V. [55].
2023 annual report.pdf	Used	Primary corporate disclosure in the longitudinal corpus; cited as Prosus N.V. [56].
2024 annual report.pdf	Used	Primary corporate disclosure; already cited as Prosus N.V. [43].
2025 annual report.pdf	Used	Primary corporate disclosure; already cited as Prosus N.V. [5].
HY2025 Prosus media release.pdf	Used	Primary results disclosure; already represented by Prosus N.V. [57].
hy2026 results presentation.pdf	Used	Primary results disclosure; already represented by Prosus N.V. [40].
Perpetua Investment Managers report	Used	Independent financial analysis; already represented by Gorven [52].
fy2026 media release.pdf	Used	FY2026 revenue and profitability disclosures for iFood and PayU, and group revenue and consolidated free cash flow [75].
Aperture Prosus HY2026 Results.pdf	Background only	Independent commentary used for orientation only; no claim relies on it as sole evidence.
Prosus Portfolio Master Data V3.xlsx	Organisational aid	Structured data extraction record used to organise the portfolio population and identify inconsistencies; underlying sources carry evidentiary authority.
Prosus Portfolio Master Data v2.xlsx	Excluded	Superseded working version retained only as an archive.
Portfolio Mapping Kimi Mar2026.pdf	Excluded	Generated synthesis with insufficient source level traceability; not used as evidence.
prosus world economic forum.xlsx	Background only	Media tracker used for orientation; any retained claim must cite the original publication.
Sequoia Portfolio Master Data.xlsx	Organisational aid	Structured benchmark extraction record; the thesis cites the underlying Sequoia sources.
SoftBank FY2025 Financial Report.pdf	Used	Primary comparator disclosure; already represented by SoftBank Group Corp. [39].
SoftBank Portfolio Master Data.csv	Organisational aid	Duplicate tabular export used for data organisation only.

Table A.7 continued

Local source file	Classification	Treatment in the thesis
SoftBank Portfolio Master Data.xlsx	Organisational aid	Structured benchmark extraction record; the primary report carries evidentiary authority.

B

Regulatory Framework Summary

B.1 Comparative Regulatory Overview

See Table 3.4 (Section 3.4), which supplies the comparative regulatory overview used in the thesis.

B.2 Jurisdictional Exposure Assessment

Table B.1 links the selected companies to the jurisdictional conditions relevant to the regulatory analysis.

Company	**Primary jurisdiction(s)**	**Exposure note**
iFood	Brazil (LGPD)	Primary datum; now benefits from EU–Brazil mutual adequacy (Jan 2026).
PayU / Mindgate	India + global	India DPDPA s. 16 is scheduled to commence on 13 May 2027; payments-sector rules apply independently.
Despegar	Latin America	No distinct incremental regulatory regime identified beyond Brazil/LGPD in reviewed chapters.
OLX / eMAG	EU (GDPR + AI Act, presumed by geography)	Not detailed by name in reviewed chapters.
Delivery Hero	EU merger-remedy specific	Exposure is a bespoke transaction condition (Just Eat Takeaway clearance), not a generic jurisdictional rule.
Byju's	India (DPDPA)	Case closed — written off; regulatory exposure is retrospective context only.
Tencent	China	Outside the thesis's declared EU/India/Brazil regulatory scope (Section 1.4); excluded from this assessment by design.

Table B.1: Jurisdictional exposure of the selected portfolio companies.

C

Comparative Due Diligence Register

The comparative register below preserves the complete rating rationale, public evidence boundary, citation chain, and confirmatory due-diligence test for each criterion. It supports the compact screening matrix in Chapter 6 without repeating the full register in the main argument.

Table C.1: Comparative rationale and verification register for the inferred resolution in Table 6.7. Ratings remain evidence-bounded working judgments; the final column defines the confirmatory due-diligence test.

Criterion and pillar	iFood: controlled platform	PayU: horizontal capability	Byju's: impaired minority	Confirmatory due-diligence test
C1 Modularity Architecture	$-^{S}$ Working inference: courier dispatch, merchant, consumer, and physical fulfilment layers create tight operational coupling.	+ Public merchant interfaces support an API-oriented architecture, but do not establish internal decoupling.	+ A standalone education application may be less entangled with Prosus infrastructure; this remains a scenario assumption.	Map service and microservice dependencies, interfaces, databases, deployment boundaries, release coupling, repositories, hosting, and ownership.
C2 Disassembly Architecture	$-^{S}$ Merchant relationships, logistics operations, and any dark-store dependencies create separation friction.	+ The staged USD 610 million GPO transaction demonstrates a regional carve-out, not instantaneous separability [8].	+ Technical separation may be feasible, but creditor, pledge, buyer, and insolvency constraints may block it [61].	Define the carve-out perimeter, transition-service duration, shared vendors and contracts, stranded costs, asset liens, and a credible clean-transfer route.
C3 Scalability Ecosystem	+ CADE treated iFood as dominant and imposed remedies, supporting exceptional regional scale but not a timeless market-share claim [92].	**0** Multi-market payments presence is material, but not shown to match Tencent's ecosystem scale.	− Post-pandemic normalisation and school reopening weakened the demand environment [63].	Verify dated volume and market-share evidence, geographic concentration, merchant or user retention cohorts, acquisition cost, lifetime value, pricing, and unit economics.
C4 Reciprocity Ecosystem	+ Prosus states that the LCM programme was first developed with iFood; this supports participation, not a production-data feed claim [11].	+ Payment authorisation and fraud signals could support cross-portfolio learning, but lawful implementation and measured benefit are unverified.	− No public evidence establishes material data or operating reciprocity with Prosus's food, travel, classifieds, or payments platforms.	Audit datasets, lawful purposes, telemetry and model interfaces, repository contributions, product use cases, cross-selling evidence, and measured reciprocal benefit.
C5 Asset scarcity Ecosystem	**0** The scenario treats the regional network as scarce for screening purposes; this must not imply equivalence with Tencent's global scale.	+ RBI and sector approvals create entry requirements [40, 93]; scarcity depends on licence scope, durability, and transferability.	− The scenario assumes declining differentiation as generative models expand supply; proprietary rights and defensible outcomes remain unverified.	Apply a defined scarcity metric. Inspect merchant exclusivity, licence scope and transferability, proprietary content rights, outcomes, and replacement availability.

Continued on next page

Table C.1 continued

Criterion and pillar	iFood: controlled platform	PayU: horizontal capability	Byju's: impaired minority	Confirmatory due-diligence test
C6 Portfolio coherence Ecosystem	$-^{S}$ The scenario treats iFood as a specialised regional vertical with limited horizontal portability; this does not deny its standalone value.	+ Payments may provide horizontal infrastructure, but portfolio adoption, benefit, and integration cost are not publicly demonstrated.	− The business remained an isolated education vertical with no publicly demonstrated portfolio-wide platform spillover.	Test capability reuse across portfolio companies, adoption roadmaps, integration cost, measured business benefit, and whether the rating confuses strategic fit with standalone value.
C7 Intervention capacity Governance	+ Prosus controls and consolidates iFood [5]; the rating does not assume 100 per cent economic ownership.	+ PayU is a controlled operating business [5], subject to regulated-entity constraints.	$-^{S}$ Prosus held below 10 per cent and could not direct the company unilaterally. Board representation ended in 2023 [62].	Audit statutory boards, voting agreements, reserved matters, appointment and information rights, delegated authority, regulatory approvals, and contractual step-in or exit rights.
C8 Reporting reliability Governance	+ Consolidated reporting provides a credible positive prior [5], not proof of subsidiary-level control quality.	+ Audited group disclosure provides a positive prior; regulated-entity audits, reconciliations, and incidents remain asset-specific.	$-^{M}$ Delayed audits, information failures, board conflict, and litigation establish a severe governance breakdown [61, 62, 65].	Inspect audit opinions and findings, KPI definitions, reporting timeliness, reconciliations, control deficiencies, incident logs, and any forensic reports. An adverse rating does not prove a safeguard would have worked.
C9 Capability independence Governance	$-^{S}$ Material reliance on group AI or shared MLOps would reduce separability; public LCM disclosure does not establish that dependency.	**0** The scenario assumes local infrastructure alongside central rules; neither independence nor dependence is publicly established.	+ The scenario assumes no material reliance on Prosus central AI; public evidence does not establish full independence.	Verify custody and control of code, content, model weights, data stores, cloud accounts, vendors, deployment rights, development teams, and replacement feasibility.
C10 Data sovereignty Regulation	$-^{M}$ LGPD duties remain. The EU adequacy decision reduces transfer friction for covered flows but does not remove purpose, security, or accountability duties [16, 45, 94].	$-^{M}$ RBI data requirements and the DPDPA create architecture and compliance burdens [15, 93].	+ A primarily domestic Indian user base may reduce cross-border exposure relative to Tencent, but does not remove DPDPA duties or children's-data risks [15].	Validate the data map, user geography, purposes, consent, retention, local storage and cloud tenancy, vendors, settlement flows, commencement dates, and effective legal provisions.
C11 Competition risk Regulation	$-^{M}$ CADE investigation and remedies establish competition scrutiny [92]; the outcome depends on conduct and compliance.	+ The scenario assumes a competitive market with no systemic monopoly; that assumption requires legal confirmation.	+ The scenario assumes a fragmented education market without a monopoly investigation; that assumption requires legal confirmation.	Competition counsel must confirm market definition, shares, investigations, behavioural obligations, compliance reports, transaction thresholds, and filing or clearance duties.

C.1 Capability Separability and Transaction Controls

The checklist below preserves the full exit and separability controls referenced in Section 6.4. It treats separation as an operating capability supported by verifiable technical, legal, contractual, and organisational evidence.

Table C.2 defines the evidence required to test capability separability and preserve an executable exit route.

No.	Control	Required evidence
1	Code, model, and build custody	Versioned repositories, build scripts, container definitions, current model artefacts, restoration test, and access independent of one employee or parent account
2	AI and software bill of materials	Components, model lineage, data provenance, licences, vendors, vulnerabilities, ownership, and use restrictions; no claim that a bill of materials alone proves absence of personal data
3	Interface and dependency register	APIs, schemas, shared databases, identity, observability, keys, queues, and service-level dependencies with named owners
4	Replacement path	Tested commercial, open-source, or locally operated substitute for every material parent service, with measured time, cost, and performance impact
5	Data separation and deletion plan	Export, retention, deletion, backup, model-training, and data-subject-right procedures tied to verified legal obligations
6	IP and licence schedule	Foreground and background IP, contributor rights, third-party licences, territory, sublicensing, change rights, and survival at separation
7	Transition services agreement	Pre-scoped services, price method, service levels, security, exit milestones, extension rules, and a finite term calibrated to the carve-out rather than assumed at six months
8	People and vendor continuity	Key roles, knowledge transfer, retention needs, assignable vendor contracts, regulator notifications, and operating manuals
9	Rehearsed exit and acceptance test	Periodic restoration or separation exercise with defects, remediation owner, buyer acceptance criteria, and board-level exception sign-off

Table C.2: Nine-point capability separability and exit checklist for shared digital and AI capabilities.

The controls can be grouped into five transaction-facing families. **Custody** requires verified code, model, and build access where dependency risk justifies it. **Portability** requires a tested replacement route and evidence of its time, cost, and performance impact. **Provenance** requires software and AI component, model-lineage, licence, and data evidence. **Transition** requires a scoped, priced, and milestone-based transition route calibrated to the rehearsed carve-out. **Fiduciary separation** requires clean-team access controls, conflict registers, and recusal rules for duties spanning the seller, buyer, parent, or regulated subsidiary. These families guide transaction drafting without presenting any period, remedy, or control as universally sufficient.

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