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for millions
of people...**

**Condensed consolidated interim financial statements
for the six months ended 30 September 2021**

**...by building
leading consumer
internet companies
that address
societal needs.**

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Commentary

Over the past six months the group posted a solid performance. Group revenue, measured on an economic-interest basis, grew 31% (29%) to US\$16.6bn. Our Ecommerce segment revenue accelerated 60% (53%) to US\$4.2bn, after strong momentum in the prior year.

Group trading profit grew 8% (8%) to US\$2.9bn, reflecting continued investment to fund growth by expanding our existing platforms, and building deeper relations with customers and partners. Core headline earnings were US\$2.3bn, up 4% (2%). Additionally, we invested US\$5.2bn in new acquisitions to expand our ecosystems, mainly in Edtech and Food Delivery.

These results reflect a diverse Ecommerce portfolio, which has grown significantly in value. Five years ago this portfolio, excluding Tencent, was valued by analysts at around US\$13.0bn. Today that valuation is approaching US\$50.0bn. We aim to increase the size of this portfolio over the coming years.

We back local entrepreneurs, invest through the economic cycle and adopt a long-term approach. This is evident in the growth of our operations and the values of investments now publicly traded. These include Tencent, Delivery Hero, VK/Mail.ru, Trip.com (MakeMyTrip and ibibo) and, most recently, Remitly, Skillsoft, Sinch, SimilarWeb and Udemy.

Over the last six months, we focused on maintaining growth and customer engagement, while leveraging increased scale to develop opportunities in adjacent products and services. We are building ecosystems with multiple customer touchpoints to improve both their experience and retention. We align technology and data with key customer needs such as convenience and ease of use. Given that long-term engagement with customers requires end-to-end capabilities, in the past six months we invested more in building products across our Ecommerce portfolio.

With momentum across core segments, we have achieved scale in several markets. Classifieds emerged from the pandemic stronger, with healthy growth at its core. We are amplifying that with a larger role in transactions. For example, OLY Autos is merging online and offline car buying and finance to build the most trusted one-stop shop for transacting in cars.

Food Delivery's performance remained strong. The scale achieved over the past 18 months has expanded the opportunity beyond delivering food from restaurants to include convenience and grocery delivery. We participated in further funding rounds in Swiggy and iFood, stepped up our investment in Delivery Hero, and invested in Flink and Oda, two young European e-grocery (online grocery orders) businesses.

In Payments and Fintech, we recently announced the acquisition of BillDesk. After regulatory approval, this will create a top 10 online payments company globally by total payment volume. We also substantially increased our scale in India, one of the fastest-growing consumer internet markets. The combined business creates a platform to pursue additional opportunities to expand into digital banking.

Edtech, our newest segment, grew well. The portfolio expanded with the acquisition of Skillsoft and its simultaneous listing, and the acquisitions of Stack Overflow and GoodHabit. Our Edtech investments currently reach over 500 million users.

Tencent delivered strong results and remains positioned for continued growth. In April 2021, to improve our financial flexibility and reinforce our balance sheet, we sold 2% of its issued share capital, generating proceeds of US\$14.6bn and reducing our holding to 28.9%. We have been investors in Tencent for over 20 years, with the only prior disposal being 2% in 2018. In both cases, proceeds were used to fund our strategic ambitions, resulting in meaningful net asset value (NAV) appreciation. The interests we acquired with proceeds from the initial sale of Tencent in 2018 include the majority of our food assets, the Avito step-up investment and the Edtech portfolio. These are growing at an internal rate of return of over 30%. We remain committed long-term investors in Tencent and have agreed not to sell any further shares for a three-year period.

The listing of Prosus in Europe gave equity and debt investors exposure to fast-growing sectors in China, India and other emerging markets. In August 2021, Prosus concluded an exchange offer for 45.8% of Naspers N ordinary shares in issue. This transaction creates a capital structure that allows the inherent value of the group to be better reflected in the share prices of Naspers and Prosus. Naspers and Prosus are now better positioned on their home exchanges. Prosus rates as a top Euro Stoxx 50 company, and its free float had doubled its effective economic interest.

The group continued to crystallise returns and return capital to shareholders. In June, we completed a US\$5.0bn share purchase programme of Naspers and Prosus stock. In conjunction with the exchange offer, we also announced a further US\$5.0bn share repurchase programme of Prosus stock. This is being implemented through on-market acquisitions of Prosus ordinary shares N. Up to 30 September, we paid US\$1.5bn to repurchase Prosus ordinary shares N.

We aim to build on the strong momentum in our businesses. Given the significant potential we have identified, we are investing to maintain momentum and to expand reach and impact. We will continue to invest in our platforms and create ecosystems, particularly in autos transactions, credit and digital banking, and food and grocery delivery. At the same time, we are driving profitability and cash generation in more mature businesses. Our goal is to build a business that will deliver sustainable value creation over the long term for all stakeholders.

Given the wide geographical span of our operations, as well as significant mergers and acquisitions (M&A) in Ecommerce, reported earnings are materially impacted by foreign exchange movements and the effects of acquisitions and disposals. Where relevant in this report, we have adjusted for these effects. These adjustments (pro forma financial information) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS-EU). These growth rates represent a comparison between the six months ended 30 September 2021 and the previous period ended 30 September 2020, unless otherwise stated. A reconciliation of pro forma financial information to the equivalent IFRS metrics is provided in the "Other information - non-IFRS financial measures and alternative performance

measures" of these summarised consolidated financial statements.

FINANCIAL REVIEW

The group delivered encouraging results for the six months ended 30 September 2021. Group revenue, measured on an economic-interest basis, grew 31% (29%) to US\$16.6bn. This was driven by Ecommerce revenues, which rose 60% (53%), representing an acceleration of 23 percentage points (ppt) (2ppt). Our economic-interest share in Tencent's revenue grew 24% (23%), an impressive performance given the size of its base. Group trading profit expanded 8% (8%) to US\$2.9bn. Tencent's contribution to the group's trading profit improved 14% (13%).

Core headline earnings were US\$2.3bn – up 4% (2%), driven by a bigger contribution from Tencent, despite our sale of a 2% holding in that group. This was partially offset by investments to grow our ecommerce ecosystems and platforms.

On a consolidated basis, total revenue increased by US\$892m, or 41%, from US\$2.2bn in the prior period to US\$3.1bn for the six months ended 30 September 2021 – primarily due to the Classifieds segment. The operating loss increased from US\$207m to US\$304m as a result of investments to expand ecommerce units.

Our equity-accounted results increased with US\$1.2bn, or 42%, from US\$2.9bn in the prior period to US\$4.1bn in the review period. The increase is driven primarily by Tencent and Delivery Hero. The equity-accounted results include investment disposal gains of US\$1.1bn and net fair-value gains on financial instruments of US\$993m. This was offset by the trimming of our holding in Tencent.

As a result of trimming our holding in Tencent, we recognised a gain of US\$12.3bn.

Headline earnings decreased in the current period by US\$74m to US\$2.4bn. This was due to higher expenses for equity-settled share schemes recognised by equity-accounted investments as well as the increase in net finance cost and was offset by the increase in fair-value gains contributed by equity-accounted investments. The increase in finance cost is as a result of the issuance of new notes together with the market value premium (ie the difference between the carrying value of the bond at amortised cost and the market value of the future contractual payments) of the redemption of the 2025 and 2027 notes.

In July 2021, we raised US\$4.0bn in debt from a US dollar and euro offering. Some of the net proceeds were used to settle US\$1.6bn 2025 and 2027 notes. Lively investor demand for these offerings resulted in attractive pricing, and enabled us to increase our debt capacity and reduce our average funding cost. The group has no debt maturities due until 2025.

We ended the period with a strong and liquid balance sheet. We hold net cash of US\$3.0bn, comprising US\$13.6bn in cash and cash equivalents (including short-term cash investments), net of US\$10.6bn in interest-bearing debt (excluding capitalised lease liabilities). We also hold an undrawn US\$2.5bn revolving credit facility. Overall, we recorded a net interest expense of US\$151m for the six months.

Consolidated free cash inflow was US\$118m, a decrease on the prior year's free cash inflow of US\$370m. Tencent remains a meaningful contributor to our cash flow via a stable and increasing dividend stream. Dividends from Tencent of US\$571m (FY21: US\$458m) offset the increased capital investment in Etail and additional working capital requirements in our Etail and Classifieds segments.

There were no new or amended accounting pronouncements effective 1 April 2021 with a significant impact on the group's consolidated financial statements.

The company's external auditor has not reviewed or reported on forecasts included in these condensed consolidated interim financial statements.

The following segmental reviews are prepared on an economic-interest basis (which includes consolidated subsidiaries and a proportionate consolidation of associates and joint ventures), unless otherwise stated.

SEGMENTAL REVIEW

Ecommerce

Ecommerce revenue of US\$4.2bn for the period grew 60% (53%), accelerating 23ppt (2ppt) from the prior-year period. This was led by 107% (101%) growth in Classifieds, 107% (86%) in Food Delivery and 42% (44%) in Payments and Fintech.

Aggregated trading losses in our Ecommerce segments rose US\$158m to US\$372m after increased investment across the portfolio to capitalise on

its momentum and solidify growth opportunities. This has resulted in significant NAV accretion for assets across the group's portfolio. We remain focused on building further value across our businesses and see significant upside in the new opportunities in which we have invested. Notably, these include adding the autos transaction businesses to our Classifieds operations, a broader on-demand delivery ecosystem in our Food Delivery segment, expanding into digital banking in Payments and Fintech, and in our promising new segment, Edtech. Classifieds as well as core Payments and Fintech remain profitable.

Classifieds

The Classifieds segment delivered a strong performance compared to the prior period, which was severely impacted by the global pandemic. The segment has demonstrated resilience and continues to focus on strengthening market positions in its most-mature geographies, accelerating new consumer propositions such as pay-and-ship services, increasing trust and safety across its platforms, and scaling its autos transactions business to leadership positions in the markets in which it operates. This is a continuation of our strategic agenda to develop an ecosystem of products and services to support our customers throughout their transaction journey.

Key trends continue to shape the classifieds industry. These include consumers' acceptance of fully digital solutions, verticalising horizontal platforms, facilitating third-party transactions and participants fully performing first-party transactions. Throughout this transformation, we continue to lead the way, adapting our business model and propositions accordingly.

Classifieds revenues for the six months more than doubled to US\$1.3bn from US\$628m in the prior period. Trading profit of US\$108m was up 272% (139%) from the prior-period trading profit of US\$29m, with a 3ppt margin improvement. Traffic remained stable with monthly active users of 317 million. Monthly paying listers rose 7% to 4.2 million, reflecting increased focus on monetising listers across key markets. In our autos transactional business, we reached record volumes, with 69 000 cars transacted in the six months compared to 37 000 in the prior period. We anticipate significant growth.

In Russia, Avito delivered a solid performance, raising revenues 67% to US\$313m for the period, at a trading profit margin of 48%. The business recorded positive momentum across all verticals, with a standout performance and acceleration in the jobs and services vertical resulting in 108% revenue growth on strong market demand. Traffic increased 13% to 92 million monthly active users, with 1.9 million delivery transactions processed. Avito continued investing heavily in its platform with new product offerings such as pay-and-ship.

OLX Europe performed well, increasing revenue 46% (37%) to US\$230m versus the prior-year period and healthy trading profit margins of 28%. Our horizontal platforms across the region grew 37% (36%) year on year, primarily due to the jobs, services and goods categories. Our autos verticals revenue continued to gain traction, growing 46%, despite still being affected by supply constraints related to Covid-19. Poland is OLX's largest market in Europe, representing 53% of total regional revenues. OLX Poland reported revenues of US\$123m, up 34% (29%) from the prior period. The trading profit margin was 36% after we increased investment to scale pay-and-ship and the autos business. Europe's core Classifieds business continues to deliver a strong trading profit margin of 41%, even as it made substantial investments in pay-and-ship, where it processed 7.6 million delivery transactions for the six months and in transactional models in autos.

OLX Autos – our predominantly autos transactional business outside of Russia, Europe and Brazil also delivered a strong financial performance, particularly in the United States (US). This was despite continued disruptions due to Covid-19 in India and Latin America (LatAm) in the first quarter. OLX Autos recorded revenue of US\$605m, up 204% (213%) on the previous period. Trading losses increased by 14% (-7%) to US\$57m, while the trading profit margin improved from -25% to -9%, but the business remains in investment phase as we build scale. On average, OLX Autos operated over 480 inspection centres in the six months, with the average value of cars transacted at US\$9 000 (US\$6 000 in FY21) and an average gross margin of 10% (12.4% in FY21).

OLX Autos includes markets still affected by Covid-19 disruptions and closures such as India, Indonesia and LatAm (mainly Chile and Mexico). This was particularly evident in the first quarter

of the financial year. India and Indonesia have since recovered, and Chile has doubled its volumes. In contrast, the US business outperformed, driven by expansion to new cities and strong demand for used cars amid stimulus payments and a shortage of new cars. Volumes for the US business grew 65% compared to the prior period.

As part of building an integrated ecosystem for car transactions, OLX Autos launched consumer and dealer financing in three markets – Chile, Mexico and Colombia. The businesses will continue to focus on direct-to-consumer sales channels to improve unit economics, with acceleration plans expected in the next six months.

OLX Brasil, our 50% joint venture with Adeviata, increased revenue 147% (40%) to US\$37m, with an improved trading profit of US\$8m and 22% trading profit margin. Grupo ZAP has been successfully integrated, realising revenue and cost synergies. OLX Brasil continued its steady progress in the real estate vertical with the cross-selling strategy with Grupo ZAP, and gradual rollout of a triple bundle OLX/ZAP/VivaReal offering with common listing across the platforms. Real estate is the primary vertical for OLX Brasil, accounting for over 55% of total revenues. In the autos vertical, it continued to digitise the consumer journey with improved financing and insurance services.

The Classifieds segment is positioned well for organic and inorganic growth opportunities. This will strengthen its capabilities, broaden its presence, build ecosystems and enhance its technical capabilities. We continue to invest in this business, improving our competitive positioning, building strong adjacent client offerings such as pay-and-ship, and increasing scale to become the destination of choice for used cars in our autos transactions business.

Food Delivery

Our Food Delivery platforms gained scale over the past 18 months, driven by tailwinds from the pandemic. Post-Covid-19 prospects for on-demand food delivery remain positive. Growth rates for the business also remain strong, albeit slower than last year, which is particularly encouraging given the growth and scale achieved in the comparable period. To expand our business and growth prospects, we have capitalised on its increased scale and momentum by investing to build our ecosystem and expand into adjacencies.

Gross merchandise value (GMV) for the Food Delivery segment grew 80% (73%) with order growth of 70%, resulting in revenue growth of 107% (86%) for the period. Trading losses rose US\$123m (US\$96m) to US\$312m, reflecting the increased investment noted above and higher customer acquisition costs after lockdowns ended in our key markets.

We acquired an additional 2.5% interest in Delivery Hero on 30 September 2021 for US\$936m (discussed below). We also made an additional investment of US\$274m in Swiggy in April 2021, taking our effective ownership to 36%.

iFood

iFood continued to operate well in the review period, even as local authorities across Brazil lifted restrictions on restaurant dining. iFood increased GMV by 50% and revenue by 44% (38%).

In the Food Delivery business, orders grew 43% to over 300 million, reinforcing iFood's position as the leader in Brazil. During the period, iFood in Brazil continued to expand its footprint, adding coverage in 248 cities and growing its restaurant base to 294 000, up more than 10 000 from March 2021. At 30 September 2021, iFood's first-party orders in Brazil accounted for 35% of total orders and exceeded the combined volumes of its first-party competitors.

Trading losses increased by US\$83m (US\$80m) to US\$100m, driven by investment in grocery delivery, while the core Food Delivery business is close to breakeven. In the past 18 months, online grocery delivery has recorded unprecedented growth in markets around the world. In the Brazilian market, iFood is uniquely positioned to capitalise on this trend and is rolling out its best-in-class grocery-delivery service across the country. iFood ranked first among online groceries apps, resulting in some 17 million grocery orders from over 22 000 stores across 730 cities. This represents order growth of 182% versus the same period last year.

Delivery Hero

Our investment in Delivery Hero continued to deliver strong structural growth while pursuing M&A opportunities and accelerating investments in strategic opportunities such as quick commerce. Dmarts, Delivery Hero's quick commerce, now operates with 704 stores in 38 countries as the focus on speed and convenience continues to grow.

Operationally, Delivery Hero again recorded strong organic growth in the first six months of its financial year to June 2021, supplemented by the Woowa acquisition. Orders and GMV increased by 83% and 78% to €1.4bn and €16.2bn, respectively. This translated into improved adjusted EBITDA/GMV margins, which improved from -3.6% prior period to -2.1% for the first half of this year.

In March 2021, Delivery Hero completed the Woowa acquisition with a total investment of €5.7bn. Segment revenues for Asia rose 104% and orders by 81%. The Woowa group contributed to adjusted EBITDA in the region. Net revenue and trading losses for Delivery Hero reached €2.5bn and €558m respectively, with Woowa results consolidated in the Delivery Hero group from March 2021.

In September 2021, we increased our stake in Delivery Hero to 27.4%. We believed the stock was attractively valued at the time and investing at these levels would allow us to offset any potential future dilution that may occur in the ordinary course of its operations.

Swiggy

Since the start of the financial year, Swiggy has focused on recovery by reactivating users, increasing monthly frequency, and returning user conversion to pre-Covid-19 levels. This strategy paid off as Swiggy reactivated 128 000 restaurants on the platform (100% of pre-Covid-19 level), achieved 1.59 million orders per day, and GMV of US\$984m, up 69% on the comparable period. Our share of revenue was US\$87m for the six months, up 61% (62%). This growth reflects higher average order values compared to pre-pandemic periods and higher revenues from delivery fees and advertising sales. Revenue grew 56% in food delivery, 91% above pre-Covid-19 levels, while groceries grew by 171% from the comparable period and 75% compared to March 2021. This was driven by higher demand during the second Covid-19 wave in India and expansion of Supr Daily and Instamart in the groceries business.

We believe Swiggy is well funded to capitalise on recent momentum and well positioned to improve its platform's competitiveness by investing in product and technology, and reinforcing its artificial intelligence capabilities.

Payments and Fintech

Our Payments and Fintech segment continued to benefit from the shift to digital payments. Revenue grew 42% (44%) to US\$359m, driven largely by strong performance from the Indian payments business and a recovery in credit. Trading loss remained flat at US\$31m as increased profitability in the core payment service provider (PSP) business was offset by our investment in the credit business. Our core PSP business reported a profit of US\$18m, reflecting a 3ppt margin improvement for the six months.

Total payments value (TPV) reached US\$35.3bn, up 49% (48%) on the prior period as faster digitisation across markets continues to benefit PayU. This was supported by a 45% increase in the number of transactions.

India, our largest market, witnessed the second wave of Covid-19 at the start of the financial year with restricted economic activities in some parts of the country. Despite lower transaction volume from segments like travel and hospitality, TPV for India grew 72% (70%) to US\$18.9bn, representing a 44% compound annual growth rate (CAGR) over the last two years. This is a result of diversifying our merchant portfolio into segments such as financial services, ecommerce and bill payments, compensating for the decline in categories impacted by Covid-19. Revenue in India for the six-month period grew 56% (55%), representing a 30% CAGR over the last two years. This reflects a diverse set of drivers, with contributions from new areas like Wibmo, Bharat Bill Payment System and omnichannel; and non-MDR (merchant discount rate) products like Affordability, Payouts and Subscription. These contributed 29% of total revenue, compared to 21% in the prior period.

India remains a strategic market for PayU. With strong operational growth and the planned acquisition of BillDesk for US\$4.7bn, the business continues to scale quickly in that market. Following regulatory approval, PayU and BillDesk will become one of the top 10 online payments providers globally, with the combined business processing an estimated TPV of US\$147.0bn in FY21 and over 4 billion transactions. These are complementary businesses, where PayU is a preferred PSP for ecommerce while BillDesk is a leader in bill payments. Together, they have the potential to create a fintech ecosystem and provide solutions

for the changing payment needs of digital consumers. The opportunity in India is very attractive: the Reserve Bank of India reports 44 billion digital transactions processed in 2020 and forecasts 200 million new users expected to adopt digital payments over the next three years, with average annual transactions per capita rising tenfold from 22 to 220.

Outside India, our Global Payments Organisation (GPO) business has maintained its growth trajectory, with TPV growing 28% (29%) to US\$16.3bn for the six months. Revenue rose 21% (25%) to US\$163m, supported by a 39% increase in the number of transactions. After acquiring Iyzico in 2019, Turkey is now the second largest revenue contributor to GPO and one of the fastest-growing markets, accounting for 18% of revenue in the six months compared to 15% last year. Diversifying the merchant base to ecommerce and OTT (over-the-top) entertainment platforms has helped offset the decline in the travel sector during the pandemic. We are seeing a slow recovery in the travel sector as restrictions ease.

In credit, PayU took a conservative approach to disbursing personal loans to manage risks in the portfolio amid the second wave of Covid-19 at the start of the period. During this time, our transactional credit products achieved good traction and we expect this business to grow further, given its expanding preapproved base of 37 million users and growing merchant base. We remain optimistic about the India credit opportunity as we launch new products such as express loans and checkout finance to scale the loan book. Total disbursements for the period were US\$175m, up 382% over the prior period.

The investment portfolio of the Payments and Fintech segment continues to perform well. In September 2021, Remitly Inc.'s shares listed on the Nasdaq Stock Exchange, raising US\$300m. Remitly will leverage the sharp growth in send volumes (78%) and funding from its initial public offering (IPO) to accelerate growth through innovation and further expansion into digital banking. Remitly listed at a valuation of approximately US\$8.0bn in September 2021. Over the past four years, PayU has invested US\$209m in Remitly for a 23% stake, with the IPO valuation resulting in an internal rate of return of 86.9% for the business.

Edtech

Edtech is a significant and high-potential sector, accounting for a large proportion of consumer spend. It is also transforming rapidly. The group entered this market early (2016), with investments in Brainly, Codecademy and Udemy, followed by BYJU'S in 2018. We continue to expand our reach in the sector by acquiring Stack Overflow and GoodHabitZ and investing in Skillsoft, Eruditus and SoloLearn. We have invested over US\$3.0bn to date to become one of the leading Edtech investors globally.

From April 2021, Edtech became our fourth core Ecommerce segment, graduating from our ventures portfolio.

The past 18 months have been a turning point for Edtech, with the pandemic providing a generational tailwind. More importantly, it has revealed an even greater societal need for technology innovation and a higher willingness to pay for edtech products than previously believed. Although pandemic restrictions have eased in many parts of the world, the progress in digitising education remains an opportunity and technology will play a substantial role in further disrupting this sector.

Within Edtech, we have built a significant presence in enterprise education, with a focus on the future of workplace learning. This segment will reach 90% of the Fortune 100 across our corporate learning companies, including Stack Overflow, Skillsoft, GoodHabitZ, Udemy and Codecademy. In addition, we have built a strong presence in K-12 (kindergarten to grade 12), with Brainly now reaching 350 million users a month and BYJU'S quickly expanding from India into the west.

The segment delivered revenue growth of 135% (51%) to US\$120m for the six months. Trading losses reflect continued investment in the growth of the opportunity, expanding to US\$48m versus US\$13m in the comparable period, mainly driven by BYJU'S and Stack Overflow.

Our latest investments include US\$1.7bn for 100% of Stack Overflow, one of the 50 most popular websites in the world. Stack Overflow has built a global, highly engaged developer and technologist community over the last 13 years, and now serves more than 100 million people across the world every month. It is focused on globalising its primarily US-based revenue base and extending into areas like blockchain and cloud. Aside from advertising,

the main driver of revenue growth is the product Stack Overflow-for-Teams, which enables organisations to build their own communities on top of the open platform. This is the core product focus in the near term and now generates 32% of total revenue.

During the period, we also concluded a US\$500m acquisition for 38% of Skillsoft, a global leader in digital workplace learning with the most comprehensive selection of cloud-based corporate learning content. Skillsoft is listed on the New York Stock Exchange (SKIL.N) initially via Churchill Capital Corp II and was a rare Edtech investment opportunity that combined scale and profitability. Its client base is centred on large, blue-chip enterprises representing over 70% of Fortune 1000 and its services are used by almost 45 million learners globally across 160 countries. Prosus will start reporting Skillsoft results from 1 October 2021, given a three-month lag in reporting. More information on Skillsoft is available at <https://investor.skillsoft.com>.

In June 2021, we invested US\$258m for a 62% interest in GoodHabitZ, a fast-growing European provider of online training for corporates and small and medium enterprises. GoodHabitZ offers over 800 courses in 10 different languages to nearly 1 860 enterprise customers. It has expanded beyond its home market of the Netherlands to 11 European countries. Since acquisition, the business has delivered strong top-line growth of 42%.

BYJU'S, another key investment in the Edtech portfolio, is a leader in personalised learning programmes for students in India. The country's most valuable start-up continues its rapid growth in building global operations. It targets students completing grades K-12 and those taking competitive exams such as GMAT. BYJU'S revenue grew in local currency by almost 80%, driven by rapid expansion to new markets and enhanced offerings such as BYJU'S Future Learning. During the period, BYJU'S expanded its offering beyond K-12 with over US\$2.0bn in acquisitions in India and abroad. These include Aakash Network, one of the largest coaching institutes for high school students; US-based Epic, an online reading platform for children; a kids' coding platform called Tynker; Great Learning, one of India's leading edtech companies for professional and higher education; Toppr, an afterschool learning

app that provides learning courses and entrance-exam tutoring; and online test-preparation platform, BYJU'S Exam Prep (formerly Gradeup).

Another successful investment has been Udemy, a global education marketplace for lifelong learners that gives over 44 million learners access to more than 183 000 courses in 75 languages and over 180 countries. Courses can be accessed through the direct-to-consumer or Udemy Business offerings, which has over 8 600 enterprise customers. For the six months, our share of Udemy's revenue was US\$35m and a trading loss of US\$2m. On 29 October 2021, Udemy listed on the Nasdaq Stock Market. Up to the date of listing our investment in Udemy yielded an internal rate of return of 36.7%.

We will continue to play an active role in partnering and operating our portfolio to drive growth and expand our leadership positions.

Etail

After an exceptional FY21, eMAG, our leading business-to-consumer ecommerce platform in Central and Eastern Europe, maintained scale and grew GMV by 6% (4%). Revenue was US\$1.0bn for the six months, representing growth of 7% (4%) from a significantly scaled base established in the prior-year period. This is a commendable outcome, given the rebound in offline retail sales as the world normalises post pandemic as well as once-off purchases such as electronic, office and gym equipment as consumers were forced to stay home last year.

Taking advantage of scale and momentum, eMAG is building new verticals such as Tazz (a food-delivery and non-food delivery service), Freshful (online grocery platform), expanding its logistical capabilities with new central warehouses and locker network, and investing in geographic expansion in Hungary and Bulgaria.

eMAG's Genius loyalty programme reached 166 000 active subscribers, accounting for 20% of its GMV in Romania. It launched a new delivery method in Bucharest for Genius customers, with delivery in six hours for first-party products. Sameday, eMAG's courier business, grew revenue 42% (39%) for the period and accelerated the rollout of its EasyBOX locker programme in Romania and Hungary.

The business remains near breakeven, with a trading loss of US\$11m or 1% trading loss margin.

Tencent

Tencent continued to enhance its services and achieved healthy growth across its business lines, particularly in business services and online advertising.

For the six months ended 30 June 2021, Tencent reported revenue of RMB274.0bn, up 23% from last year. Non-IFRS profit attributable to shareholders (Tencent's measure of normalised performance) grew 17% to RMB67.0bn.

Revenues from value-added services increased 13% to RMB144.0bn. This was driven by a solid performance in mobile games, which benefited from international expansion, and growth in digital content services. Fuelled by secular trends of increasing digital payment transactions and rising demand for digitisation of enterprises, revenues from fintech and business services increased 44% to RMB81.0bn. Revenues from the online advertising business were up 23% to RMB45.0bn, driven by increased advertising demand on the Weixin and mobile advertising network.

The Weixin ecosystem became more vibrant, driven by expanded services and commerce. Combined monthly active users of Weixin and WeChat grew 4% to 1.25 billion. Transaction volumes generated from Mini Programs in the second quarter of 2021 more than doubled from the second quarter of 2020. Brands and merchants can now acquire customers, create and distribute content, convert visits to sales, and deepen user engagement via innovative features in the Weixin ecosystem.

Led by its mission Tech for Good, Tencent established a sustainable social value organisation. It committed initial capital of RMB50.0bn to fund initiatives in basic science, carbon neutrality and provision of food, energy and water. It then committed an additional RMB50.0bn to enhance social welfare. The fund will be used in areas such as rural revitalisation, assisting low-income groups, primary healthcare and balanced development of education.

Tencent has been repurchasing its shares in the public market daily since it announced its buyback programme on 18 August 2021.

More information on Tencent is available at www.tencent.com/en-us/investors.

VK/Mail.ru

On 12 October, following the launch of the ecosystem development strategy and active rollout of core ecosystem elements (including VK ID, VK Combo, VK Mini Apps and VK Pay) under the VK brand, Mail.ru announced the group's rebranding to VK. The legal entity name and ticker are expected to be amended in due course.

For the six months ended 30 June 2021, VK's non-IFRS revenue grew 22% to RUB58.0bn. Non-IFRS earnings before interest, taxation, depreciation and amortisation (EBITDA) (VK's measure of normalised performance) declined 2.5% to RUB13.0bn due to continuous investments in the VK ecosystem.

Advertising revenue grew 30% to RUB22.0bn. Online games revenue grew 10% to RUB19.0bn. Value-added services revenue from social networks dropped 3% to RUB9.0bn as the sector normalised from a high base, given the prior year's pandemic-induced tailwinds.

VK continued to grow its social and commerce ecosystem via product innovations. The VK mini apps platform now supports 34 200 local services, up 74%, covering online shopping, food-delivery and taxi services, among others. A multimarket platform was launched to enable merchants to manage their stores on VK, OK, AliExpress Russia and Youla in a single portal.

VK continued to innovate and invest in new areas. Edtech assets (Skillbox and GeekBrains) were merged, creating the market leader in the Russian online education market. The online-to-offline joint venture with Sberbank focused on food and mobility recorded strong growth, with combined marketplace GMV reaching RUB45.0bn, up 75%. AliExpress Russia grew local marketplace GMV by 200% and orders 500% in the second quarter of 2021.

More information on VK Group is available at <https://vk.company/en/investors/>.

PROSPECTS

We have successfully responded to the pandemic and enhanced our technical capabilities with speed and innovation. The fundamentals of our

businesses are sound and the recent shift to online seems to have a lasting impact. Our focus remains on customer engagement by aligning technology and data with customer needs and, in many instances, creating more touchpoints with our customers. We will also concentrate on turning quality data into actionable insights while building capabilities and expanding ecosystems to improve our platforms' competitiveness.

Our focus for the balance of FY22 will remain on driving growth, profitability and cash generation from our mature Ecommerce assets. With increased consumer consumption online, we want to build bigger businesses by expanding our opportunity set. We will invest in our platforms and create ecosystems, particularly in autos transactions, credit, and food and grocery delivery.

Our liquid balance sheet provides flexibility to realise our ambitions. We have two decades' experience investing in high-growth, complex and volatile internet markets. We are patient long-term investors, with an excellent track record of returns. We will continue to deploy capital in our core segments as opportunities arise.

Finally, we remain committed to taking the right actions to unlock value for all our shareholders. We will improve disclosure and build bigger businesses that provide optionality into the future.

RISKS

Our entrepreneurial spirit means we pursue opportunities that involve risk. At the same time, we consider business sustainability and ethical, legal and regulatory compliance. We know that success in pursuing our objectives depends on how well we understand and manage associated risks, so that we can accept them responsibly.

Our board oversees risks and opportunities, and sets the boundaries within which risks must be managed. Our businesses are required to operate within those limits, and to keep our board updated through regular reports. Specific risks and uncertainties appear in the FY21 annual report in the section "Managing risks and opportunities". This report, available on our website, describes key risks that could have a material effect on Prosus's financial position and results, and outlines mitigating measures. In addition, in the section "Responding to Covid-19", it sets out our responses to the pandemic.

As a group, the key risks we identify – and manage – include those relating to the use of technology and information systems to deliver our services within set parameters for responsible data use, data security, service continuity and compliance with applicable laws and regulations. This includes staying ahead technology-wise and developing compelling, safe solutions for our customers amid rapid technological change, evolving consumer preferences, rampant cybercrime and scarcity of engineering talent. In addition, we allocate capital to grow our existing businesses and acquire interests in those with potential for future growth. Our decision-making processes clearly need to be robust to effectively weigh, reduce and accept associated risks. Some of our historical investments comprise significant stakes in businesses and listed entities we do not control but which, due to their size, have a major impact on our results and net assets. Debt we assume to finance our growth presents additional risk. Other important risks we monitor and manage closely include the health, safety and wellbeing of our people and others who support our businesses (eg independent deliverers) and work in a world still impacted by the pandemic. As a group, but also in our businesses individually, we acknowledge our responsibilities to embed sustainability in every decision we take, including setting objectives (eg to reduce our carbon footprint). We remain compliant with local legislation and ever-increasing regulation. We view compliance as a natural outcome of the business ethics and behaviours we codify and promote as part of our culture.

Additional risks not known to Prosus, or currently believed not to be material, could have a material impact on our business, objectives, revenues, income, assets, liquidity or capital resources.

SUSTAINABILITY

We use technology to find solutions for shared global challenges. By integrating sustainability into our strategy, business plans and daily decisions, we create value for all stakeholders. Our materiality assessment helps us identify what is important to stakeholders. This quarter, we launched the sustainability section of our website, where we communicate regular updates. For more information, please refer to our website at (<https://www.prosus.com/sustainability/overview>).

Our commitment to climate action starts at the highest level of management, with a carbon-neutrality target linked to short-term incentives for our chief executive and cascaded down throughout the group. This year, we set a Naspers-level target to be carbon-neutral by the end of this financial year. In parallel, group businesses must set their own roadmaps to become carbon-neutral by FY23. In 2021, we incorporated all majority-controlled entities on an industry-leading software tool to digitise our environmental, social and governance (ESG) data, processes and reporting. The software enables us to better access, evaluate and improve our ESG performance. Next year, we aim to communicate our decarbonisation roadmap, with specific multiyear targets.

Key highlights this year include our commitments to the Task Force on Climate-related Financial Disclosures as a supporter, and as a signatory to the United Nations Global Compact. We also submitted our first response to CDP (formerly Carbon Disclosure Project) to provide relevant and material information to investors to inform their decisions on environmental risks and opportunities. We are pleased to share that Sustainalytics and S&P Global have updated Prosus ESG ratings for 2021. Prosus's Sustainalytics risk rating has improved from medium to low risk. With the publishing of the S&P CSA outcomes this week, Prosus score endorses its inclusion in the Dow Jones Sustainability Europe Index. In addition, Prosus received an inaugural score of 73 out of 100 on the Dutch Transparency Benchmark, while our MSCI A rating demonstrates stakeholder acknowledgement of our progress against sustainability commitments. This is reflective of our continued commitment to a robust management of all material ESG risks and opportunities across our businesses.

In June 2021, as part of our ongoing Covid-19 initiatives, Prosus joined forces with the Philips Foundation, the Johnson Foundation and the Johnson & Johnson Family of Companies to provide over 800 ventilators to Indian public hospitals in regions most impacted by the pandemic. These ventilators enabled public hospitals to respond to acute needs, assist frontline healthcare workers in caring for Covid-19 patients in respiratory distress and ultimately help prevent loss of precious lives.

Assistive technologies can play a role in creating barrier-free access to people living with disabilities. In India, where there are more than 70 million differently abled people, we have launched the second round of the Prosus Social Impact Challenge for Accessibility, which provides an annual grant and mentorship to Indian start-ups with the most innovative and promising solutions in the assistive technology space. To see the successful entrepreneurs from the last edition of the SICA challenge, please visit <https://www.prosus.com/news/indian-startups-win-big-in-bid-to-scale-technology-for-persons-with-disabilities/>.

DIRECTORATE

On 1 April 2021, in line with our retirement policy, Don Eriksson retired from the board. He was also chair of the audit, and risk committees. The board thanks Don for his invaluable contribution and excellent chairing of these committees. Steve Pacak was appointed chair of the audit, and risk committees and Debra Meyer chair of the new sustainability committee.

Rachel Jafta stepped down as a member of the audit committee from 25 August 2021. The board thanks Rachel for her sterling contribution to the committee over several years.

Angelien Kemna's appointment as an independent non-executive director of Prosus was approved by shareholders at the annual general meeting on 24 August 2021. She also became a member of the audit committee to fill the vacancy on the retirement of Don Eriksson.

In August 2021, Emilie Choi resigned as a director of Naspers. She was also a member of the company's risk and human resources and remuneration committees. The board thanks Emilie for her valued contribution. Angelien Kemna was appointed a member of the risk committee on 9 September 2021.

INDEPENDENT AUDITOR'S REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements for the six months ended 30 September 2021 have been reviewed by PricewaterhouseCoopers Accountants N.V., our independent auditor whose unqualified report is appended to these condensed consolidated interim financial statements.

RESPONSIBILITY STATEMENT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We have prepared the condensed consolidated interim financial statements of Prosus for the six months ended 30 September 2021, and the undertakings included in the consolidation taken as a whole, in accordance with IFRS-EU and additional Dutch disclosure requirements for interim financial statements. To the best of our knowledge:

1. The condensed consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position as at 30 September 2021, and of the result of our consolidated operations for the six months ended 30 September 2021.
2. The condensed consolidated interim financial statements for the six months ended 30 September 2021 give a fair view of the information required pursuant to Article 5:25d, sections 8 and 9 of the Dutch Financial Supervision Act (*Wet op het Financieel Toezicht*).

On behalf of the board



Koos Bekker

Chair



Bob Van Dijk

Chief executive

Amsterdam
20 November 2021

Condensed consolidated income statement

	Notes	Six months ended 30 September		Year ended
		2021	2020	31 March
		US\$'m	US\$'m	US\$'m
Revenue from contracts with customers	7	3 065	2 173	5 116
Cost of providing services and sale of goods		(2 070)	(1 435)	(3 455)
Selling, general and administration expenses		(1 354)	(921)	(2 614)
Other gains/(losses) – net	9	55	(24)	(87)
Operating loss		(304)	(207)	(1 040)
Interest income	8	29	59	83
Interest expense	8	(180)	(108)	(262)
Other finance (costs)/income – net	8	(171)	(5)	177
Share of equity-accounted results ¹		4 074	2 875	7 095
Impairment of equity-accounted investments		(1)	(18)	(30)
Dilution gains/(losses) on equity-accounted investments	11	120	63	981
Gains on partial disposal of equity-accounted investments	11	12 339	19	19
Net (losses)/gains on acquisitions and disposals	9	(18)	211	309
Profit before taxation		15 888	2 889	7 332
Taxation ²		(69)	128	67
Profit for the period		15 819	3 017	7 399
Attributable to:				
Equity holders of the group		15 891	3 015	7 449
Non-controlling interests		(72)	2	(50)
		15 819	3 017	7 399
Per share information for the period (US cents)³	6			
Earnings per N ordinary share		1 007	186	459
Diluted earnings per N ordinary share		1 002	183	450
Headline earnings per N ordinary share		149	150	360
Diluted headline earnings per N ordinary share		144	147	351

¹ Includes equity-accounted results from associates. Refer to note 11.

² Refer to note 13 for details on the prior-year tax credit.

³ Current-period earnings per share information is presented per class of shareholders of the group as a result of the share exchange offer completed in August 2021. Refer to note 3 and note 6.

Condensed consolidated statement of comprehensive income

	Note	Six months ended 30 September		Year ended 31 March
		2021 US\$m	2020 US\$m	2021 US\$m
Profit for the period		15 819	3 017	7 399
Total other comprehensive (loss)/income, net of tax, for the period:		852	4 326	9 049
Items that may be subsequently reclassified to profit or loss				
Translation of foreign operations		483	1 102	1 985
Share of equity-accounted investments' movement in other comprehensive income (OCI)		(264)	130	(424)
Recognition of cash flow hedge		(119)	—	—
Derecognition of cash flow hedge		119	—	—
Items that may not be subsequently reclassified to profit or loss				
Fair-value (losses)/gains on financial assets through OCI		(974)	233	669
Share of equity-accounted investments' movement in OCI and NAV ¹	11	1 607	2 861	6 819
Total comprehensive income for the period		16 671	7 343	16 448
Attributable to:				
Equity holders of the group		16 734	7 325	16 460
Non-controlling interests		(63)	18	(12)
		16 671	7 343	16 448

¹ This relates to gains from the increase in share prices of Tencent's listed investments carried at fair value through other comprehensive income and the group's share in the share-based compensation reserve of equity-accounted investments.

Condensed consolidated statement of financial position

	Notes	As at		As at
		30 September	2020	31 March
		2021	2020	2021
		US\$'m	US\$'m	US\$'m
ASSETS				
Non-current assets		55 879	34 227	48 583
Property, plant and equipment		488	379	443
Goodwill	10	3 830	2 113	2 102
Other intangible assets	15	1 025	782	782
Investments in associates	11	47 916	29 638	40 556
Investments in joint ventures		153	51	158
Other investments and loans ¹	12	2 367	1 244	4 503
Other receivables		75	4	16
Deferred taxation		25	16	23
Current assets		14 957	10 973	7 145
Inventory		385	249	321
Trade receivables		174	116	150
Other receivables and loans		717	575	621
Derivative financial instruments		1	4	18
Other investments	12	27	11	1 253
Short-term investments		7 464	6 287	1 211
Cash and cash equivalents		6 189	3 664	3 571
		14 957	10 906	7 145
Assets classified as held for sale		–	67	–
TOTAL ASSETS		70 836	45 200	55 728
EQUITY AND LIABILITIES				
Capital and reserves attributable to the group's equity holders				
		54 648	36 086	43 069
Share capital and premium		39 192	613	612
Treasury shares*		(3 092)	–	(1 415)
Other reserves		(35 665)	2 077	5 818
Retained earnings		54 213	33 396	38 054
Non-controlling interests		20	212	117
TOTAL EQUITY		54 668	36 298	43 186
Non-current liabilities				
		11 380	6 232	8 535
Capitalised lease liabilities		163	175	173
Liabilities – interest-bearing	16	10 501	5 660	7 860
– non-interest-bearing		64	1	48
Other non-current liabilities		223	130	100
Cash-settled share-based payment liabilities	14	198	89	159
Deferred taxation		231	177	195
Current liabilities				
		4 788	2 670	4 007
Current portion of long-term debt		116	85	102
Trade payables		391	369	344
Accrued expenses ¹		1 696	999	1 448
Other current liabilities ¹		1 123	561	1 207
Cash-settled share-based payment liabilities ¹	14	1 191	410	897
Dividend payable		238	213	–
Bank overdrafts		33	4	9
		4 788	2 641	4 007
Liabilities classified as held for sale		–	29	–
TOTAL EQUITY AND LIABILITIES		70 836	45 200	55 728

* Refer to note 3 for details of the group's reclassification of treasury shares during the current period.

¹ Accrued expenses, other current liabilities and cash-settled share-based payment liabilities were previously aggregated into "Accrued expenses and other current liabilities". These balances are now presented separately due to their significance. Derivative assets have been aggregated with other investments and derivative liabilities with other liabilities as a result of it being immaterial.

Condensed consolidated statement of changes in equity

	Share capital and premium ordinary shares US\$m	Treasury shares US\$m	Foreign currency translation reserve US\$m
Balance at 1 April 2020	606	—	(2 647)
Total comprehensive income for the period	—	—	1 215
Profit for the period	—	—	—
Total other comprehensive loss for the period	—	—	1 215
Share-based compensation movements	—	—	—
Share-based compensation expense	—	—	—
Modification of share-based compensation benefits	—	—	—
Contributions made to Naspers share trusts	—	—	—
Transfers to retained earnings	—	—	—
Transactions with non-controlling shareholders ¹	—	—	—
Direct equity movements	7	—	(8)
Direct movements from associates	—	—	—
Realisation of reserves as a result of disposals	—	—	(1)
Other direct movements	7	—	(7)
Remeasurement of written put option liabilities	—	—	—
Cancellation of written put option liabilities	—	—	—
Other movements	—	—	—
Dividends declared	—	—	—
Balance at 30 September 2020	613	—	(1 440)
Balance at 1 April 2021	612	—	(1 125)
Reclassification of treasury shares*	—	(1 415)	—
Restated balance at the beginning of the period	612	(1 415)	(1 125)
Total comprehensive income for the period	—	—	211
Profit for the period	—	—	—
Total other comprehensive income for the period	—	—	211
Movement due to share exchange ²	38 517	—	—
Prosus B ordinary shares issued ²	66	—	—
Repurchase of own shares ³	—	(1 677)	—
Share-based compensation movements	—	—	—
Share-based compensation expense	—	—	—
Contributions made to Naspers share trusts	—	—	—
Modification of share-based compensation benefits	—	—	—
Transfers to retained earnings	—	—	—
Transactions with non-controlling shareholders ¹	—	—	—
Direct equity movements	(3)	—	46
Direct movements from associates	—	—	—
Realisation of reserves as a result of partial disposal of associate	—	—	—
Realisation of reserves as a result of disposals	—	—	43
Other direct movements	(3)	—	3
Remeasurement of written put option liabilities	—	—	—
Cancellation of written put option liabilities	—	—	—
Other movements	—	—	—
Dividends declared ⁴	—	—	—
Balance at 30 September 2021	39 192	(3 092)	(866)

* Refer to note 3 for details of the group's reclassification of treasury shares to the "Treasury shares".

¹ The group's various disposals and other transactions with non-controlling interest resulted in the derecognition of non-controlling interest of US\$34.4m (2020: US\$20.4m)

² Refer to note 3 for details of the share exchange transaction.

³ Shares repurchased in the current year. Refer to note 16.

⁴ Dividends declared consist of US\$97.2m owing to Naspers and US\$141.2m owing to Prosus free float shareholders. The dividend was approved on 24 August 2021 and will be paid on or after 23 November 2021.

Valuation reserve US\$m	Existing control business combination reserve US\$m	Share-based compensation reserve US\$m	Retained earnings US\$m	Shareholders' funds US\$m	Non- controlling interests US\$m	Total US\$m
2	(1 583)	1 968	30 754	29 100	214	29 314
2 841	—	254	3 015	7 325	18	7 343
—	—	—	3 015	3 015	2	3 017
2 841	—	254	—	4 310	16	4 326
—	—	(74)	(28)	(102)	—	(102)
—	—	19	—	19	—	19
—	—	(6)	(46)	(52)	—	(52)
—	—	(69)	—	(69)	—	(69)
—	—	(18)	18	—	—	—
—	(172)	—	(4)	(176)	(20)	(196)
(13)	138	(4)	(120)	—	—	—
(15)	—	—	15	—	—	—
2	109	(4)	(106)	—	—	—
—	29	—	(29)	—	—	—
—	128	—	—	128	—	128
—	32	—	—	32	—	32
—	—	—	(8)	(8)	—	(8)
—	—	—	(213)	(213)	—	(213)
2 830	(1 457)	2 144	33 396	36 086	212	36 298
6 707	(2 212)	2 446	36 639	43 069	117	43 186
—	—	—	1 415	—	—	—
6 707	(2 212)	2 446	38 054	43 069	117	43 186
207	—	425	15 891	16 734	(63)	16 671
—	—	—	15 891	15 891	(72)	15 819
207	—	425	—	843	9	852
—	(41 279)	—	—	(2 762)	—	(2 762)
—	—	—	—	66	—	66
—	—	—	—	(1 677)	—	(1 677)
—	—	(145)	(308)	(453)	—	(453)
—	—	53	—	53	—	53
—	—	(151)	—	(151)	—	(151)
—	—	(16)	(339)	(355)	—	(355)
—	—	(31)	31	—	—	—
—	(247)	—	87	(160)	(34)	(194)
(640)	8	(160)	749	—	—	—
(183)	—	—	183	—	—	—
(455)	—	(160)	615	—	—	—
(2)	8	—	(49)	—	—	—
—	—	—	—	—	—	—
—	16	—	—	16	—	16
—	75	—	6	81	—	81
—	—	—	(28)	(28)	—	(28)
—	—	—	(238)	(238)	—	(238)
6 274	(43 639)	2 566	54 213	54 648	20	54 668

Condensed consolidated statement of cash flows

	Notes	Six months ended 30 September		Year ended
		2021	2020	31 March
		US\$m	US\$m	US\$m
Cash flows from operating activities				
Cash utilised in operating activities		(228)	–	(52)
Interest income received		23	81	106
Dividends received from investments and equity-accounted investments		571	458	458
Interest costs paid		(245)	(118)	(248)
Taxation paid		(107)	(35)	(105)
Net cash generated from operating activities		14	386	159
Cash flows from investing activities				
Acquisitions and disposals of tangible and intangible assets		(86)	(24)	(117)
Acquisitions of subsidiaries, associates and joint ventures	15	(4 011)	(359)	(1 980)
Disposals of subsidiaries, businesses, associates and joint ventures	15	14 634	193	241
Acquisition of short-term investments ¹		(7 462)	(2 439)	(1 208)
Maturity of short-term investments ¹		1 211	3	3 839
Loans advanced to related parties	18	(23)	(120)	(318)
Cash paid for other investments	15	(1 096)	–	(1 322)
Acquisition of Naspers shares ²		(1 287)	–	(2 350)
Other movement in investing activities		37	(15)	(3)
Net cash generated from/(utilised in) investing activities		1 917	(2 761)	(3 218)
Cash flows from financing activities				
Repurchase of own shares	16	(1 528)	–	(1 415)
Proceeds from issue of share capital	3	67	–	–
Proceeds from long- and short-term loans raised	16	4 237	2 192	4 593
Repayments of long- and short-term loans	16	(1 709)	(30)	(155)
Additional investment in existing subsidiaries ³		(115)	(228)	(270)
Dividends and capital repayments paid to shareholders		–	–	(214)
Contributions made to the Naspers share trusts	18	(151)	(69)	(79)
Repayments of capitalised lease liabilities		(27)	(24)	(48)
Additional investment from non-controlling shareholders		65	51	53
Other movements in financing activities ⁴		(130)	(19)	(15)
Net cash generated from financing activities		709	1 873	2 450
Net movement in cash and cash equivalents		2 640	(502)	(609)
Foreign exchange translation adjustments on cash and cash equivalents		(46)	32	22
Cash and cash equivalents at the beginning of the period		3 562	4 149	4 149
Cash and cash equivalents classified as held for sale		–	(19)	–
Cash and cash equivalents at the end of the period		6 156	3 660	3 562

¹ Relates to short-term cash investments with maturities of more than three months from date of acquisition.

² Relates to payments for the group's acquisition of Naspers shares included in fair value through other comprehensive income investments of US\$1.29bn (31 March 2021: US\$2.35bn), prior to the share exchange transaction.

³ Relates to transactions with non-controlling interest resulting in changes in effective interest of existing subsidiaries.

⁴ Includes transaction costs relating to the Prosus share exchange of US\$122.4m.

Notes to the condensed consolidated interim financial statement

for the six months ended 30 September 2021

1. General information

Prosus N.V. (Prosus or the group) is a public company with limited liability (naamloze vennootschap) incorporated under Dutch law, with its registered head office located at Symphony Offices, Gustav Mahlerplein 5, 1082 MS Amsterdam, the Netherlands (registered in the Dutch commercial register under number 34099856). Prosus is a subsidiary of Naspers Limited (Naspers), a company incorporated in South Africa. Prosus is listed on the Euronext Amsterdam Stock Exchange, with a secondary listing on the JSE Limited's stock exchange and A2X Markets in South Africa.

The Prosus group is a global consumer internet group and one of the largest technology investors in the world. Operating and investing globally in markets with long-term growth potential, Prosus builds leading consumer internet companies that empower people and enrich communities. The group is focused on building meaningful businesses in the online classifieds, payments and fintech, food delivery and education technology sectors in markets including Europe, India, Russia and Brazil. Through its ventures team, Prosus actively seeks new opportunities to partner with exceptional entrepreneurs who are using technology to address big societal needs. Every day, millions of people use the products and services of companies that Prosus has invested in, acquired or built. The group operates and partners with a number of leading internet businesses across the Americas, Africa, Central and Eastern Europe, and Asia in sectors including online classifieds, food delivery, payments and fintech, edtech, health, eetail and social and internet platforms.

The condensed consolidated interim financial statements for the six months ended 30 September 2021 have been authorised for issue by the board of directors on 20 November 2021.

2. Basis of presentation and accounting policies

Information on the condensed consolidated interim financial statements

The condensed consolidated interim financial statements for the six months ended 30 September 2021 have been prepared in accordance with International Financial Reporting Standard, IAS 34 *Interim Financial Reporting*, as adopted by the European Union (IFRS-EU).

The condensed consolidated interim financial statements do not include all the disclosures required for a complete set of financial statements prepared in accordance with IFRS-EU. The accounting policies in these condensed consolidated interim financial statements are consistent with those applied in the consolidated financial statements as included in the annual report for the year ended 31 March 2021.

There were no new or amended accounting pronouncements effective from 1 April 2021 that have a significant impact on the group's condensed consolidated interim financial statements.

The condensed consolidated interim financial statements presented here report earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share (collectively referred to as earnings per share) per class of ordinary shares.

The earnings per share information presented takes into account the impact of the cross-holding agreement with Naspers as a result of the Prosus share exchange (as described in note 3 "Significant changes in financial position and performance during the reporting period") and the "Prosus share repurchase" (refer to note 16) in August 2021.

All amounts disclosed are in millions of US dollars (US\$m) unless otherwise stated.

Notes to the condensed consolidated interim financial statement

continued

for the six months ended 30 September 2021

2. Basis of presentation and accounting policies (continued)

Information on the condensed consolidated interim financial statements (continued)

Operating segments

The group's operating segments reflect the components of the group that are regularly reviewed by the chief operating decision-maker (CODM) as defined in note 39 "Segment information" in the consolidated financial statements as included in the annual report for the year ended 31 March 2021. From 1 April 2021, the group created a new educational technology (Edtech) segment. The segment includes the results of the group's investments in edtech which has increased significantly due to the acquisitions in subsidiaries and equity-accounted investments over the years. The equity-accounted investments presented in the "Other Ecommerce" segment in prior periods have been reclassified and presented as part of the new Edtech segment. The group proportionately consolidates its share of the results of its associates and joint ventures in its disclosure of segment results in note 5.

Lag periods applied when reporting results of equity-accounted investments

Where the reporting periods of associates and joint ventures (equity-accounted investments) are not coterminous with that of the group and/or it is impracticable for the relevant equity-accounted investee to prepare financial statements as of 31 March or 30 September (for instance due to the availability of the results of the equity-accounted investee relative to the group's reporting period), the group applies an appropriate lag period of not more than three months in reporting the results of the equity-accounted investees. Significant transactions and events that occur between the non-coterminous reporting periods are adjusted for. The group exercises significant judgement when determining the transactions and events for which adjustments are made.

Going concern

The condensed consolidated financial statements are prepared on the going-concern basis. Based on forecasts and available cash resources, the group has adequate resources to continue operations as a going concern in the foreseeable future. As at 30 September 2021, the group recorded US\$3.10bn in net cash, comprising US\$6.19bn of cash and cash equivalents and US\$7.46bn in short-term cash investments. The group had US\$10.55bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US\$2.50bn revolving credit facility.

In assessing going concern, the impact of the Covid-19 pandemic on the group's operations and liquidity was considered in preparing the forecasts. The board is of the opinion that the group has sufficient financial flexibility given its low gearing and very strong liquidity position at 30 September 2021 to negate the potential negative effects that could result from the Covid-19 impact on the group's businesses in the year subsequent to the date of these condensed consolidated interim financial statements.

3. Significant changes in financial position and performance during the reporting period

Prosus share exchange with Naspers shareholders

In August 2021, the group completed a voluntary share exchange offer to Naspers shareholders.

This offered Naspers shareholders the opportunity to tender their existing Naspers N ordinary shares for newly issued Prosus ordinary shares N at an exchange ratio of one (1) Naspers N ordinary share for 2.27443 Prosus ordinary shares N. The share exchange offer resulted in Prosus acquiring a 45.8% fully diluted interest in Naspers in exchange for newly issued Prosus ordinary shares N. This interest, coupled with the 3.7% shareholding Prosus previously acquired in Naspers, as part of the share repurchase programme that was completed in June 2021, resulted in Prosus now holding a 49.5%¹ fully diluted interest which represents a 49.9%² economic interest in Naspers.

Furthermore, newly created 1 128 507 756 B ordinary shares were issued for €56.4m (US\$66.3m) to Naspers which entitles Naspers to one vote per share, but only to one millionth of the amount of the distribution that a holder of a Prosus ordinary share N is entitled to. Naspers cannot list or trade these shares. These shares allowed Naspers to maintain its control as it held more than 70% of the shareholder voting rights in Prosus. Naspers therefore continues to hold the majority of the shareholder voting rights of Prosus.

¹ Interest in Naspers based on the cross-holding arrangement formula, which was approved in the shareholder resolution.

² Interest based on distribution rights to each class of shareholders.

3. Significant changes in financial position and performance during the reporting period

Prosus share exchange with Naspers shareholders (continued)

Cross-holding arrangement

A distribution agreement (hereafter referred to as the cross-holding agreement) was entered into between Naspers and Prosus, which became effective at the time of closing of the voluntary share exchange. The cross-holding agreement takes into account Prosus's indirect interest in itself from holding Naspers shares and deals with how distributions between the two groups will be managed. It eliminates the need for flows back and forth between the two groups as a result of the cross-shareholding, through a waiver by Prosus of its entitlement to distributions, that originates from Prosus, on the Naspers shares that it holds, and provides clarity to both Prosus and Naspers free float shareholders of their economic interest in distributions made by Prosus.

The cross-holding agreement relates to Prosus's 49.5% fully diluted interest in Naspers and Naspers's 57% legal ownership of Prosus ordinary shares N. The principles of the cross-holding agreement are also incorporated in Prosus's articles of association, and the cross-holding agreement together with Prosus's articles of association form the cross-holding arrangements. It does not govern and has no bearing on the voting rights attached to the shares held by Naspers or Prosus shareholders.

The conclusion of the voluntary share exchange and the cross-holding arrangement increases the Prosus free float economic interest in the group to 58.9%.

The following represents the accounting of the transaction in the group's financial statements:

Control structure of the Prosus group

Prosus is governed by a board of directors. The board of directors is appointed by shareholders of the group. The group is therefore controlled by the shareholder with the majority voting rights to appoint the board of directors.

Prior to the share exchange transaction, Naspers held a 73% effective interest in Prosus ordinary shares N, with the corresponding shareholder voting rights, and was the majority shareholder giving it control of Prosus and, in particular, appointments of the board of directors of Prosus. Post the completion of the share exchange transaction, and despite the dilution of its effective interest in Prosus ordinary shares N, Naspers continued to maintain control of Prosus through its holding of Prosus ordinary shares N and the newly issued Prosus B ordinary shares, with corresponding voting rights. As Naspers, through its shareholding, holds the majority of the voting rights in Prosus, it controls appointments to the Prosus board of directors.

Before and subsequent to the closing of the share exchange transaction, Naspers Beleggings (RF) Limited (Nasbel) and Keeromstraat 30 Beleggings (RF) Limited (Keerom) collectively hold 55.02% of the shareholder voting rights in Naspers. Nasbel and Keerom exercise their voting rights in consultation with one another in terms of a voting pool agreement and constitute the control structure of Naspers. This control structure therefore provides them with the majority voting rights needed to control appointments to the board of directors of Naspers which then controls the appointment of the board of directors of Prosus.

Nature of Prosus's 49.5% fully diluted investment in Naspers

Prosus's 49.5% fully diluted interest in Naspers ordinary N shares entitles it to 15% of the shareholder voting rights in Naspers. This 15% shareholder voting rights do not give Prosus majority rights in Naspers that would entitle it to control appointments to the Naspers board of directors or have direct appointments rights or independent representation rights on the Naspers board of directors. Furthermore, as Prosus is part of the Naspers group pursuant to the JSE Listings Requirements, it is considered to be holding treasury shares from a Naspers group-level perspective, and the relevant regulations stipulate that the voting rights attached to these "treasury shares" held by Prosus will not be taken into account in respect of Naspers shareholder resolutions proposed pursuant to the JSE Listings Requirements. Consequently, Prosus's 49.5% fully diluted investment in Naspers does not represent control or significant influence.

Notes to the condensed consolidated interim financial statement

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for the six months ended 30 September 2021

3. Significant changes in financial position and performance during the reporting period

(continued)

Prosus share exchange with Naspers shareholders (continued)

Impact of the cross-holding arrangements on the accounting for the voluntary share exchange

In August 2021, on the closing date of the share exchange transaction, Prosus recognised a FVOCI investment amounting to US\$385m, representing its residual interest in the Naspers group. The corresponding entries are the issue of Prosus ordinary shares N recognised in share capital/share premium of US\$38.64bn and US\$38.25bn recognised in the “existing business combination reserve” representing the shareholder distribution in contemplation of a capital restructure.

The previously executed share exchange resulted in the issue of the new Prosus ordinary shares N in exchange for a 45.8% (49.5% including the share repurchase programme) fully dilutive interest in Naspers. This resulted in an increase in Prosus equity and the recognition of a financial asset because the investment does not represent a subsidiary, an associate or a joint operation. As the Naspers investment is not held for trading, the financial asset should be recognised at fair value through other comprehensive income (FVOCI) in the same manner as the Naspers shares acquired by Prosus through the share repurchase programme completed in June 2021.

Simultaneous to the share exchange programme, the cross-holding agreement between Naspers and Prosus became effective. The cross-holding agreement mandates that Prosus waives all rights to all distributions (including dividend flows) from its Naspers shares held, other than the portion attributable to the residual interest in the Naspers group (primarily Takealot, Media24 and corporate entities). Prosus is also restricted from disposing all or any portion of its Naspers shares held without the consent of Naspers. In addition, Naspers is obligated to pass on any distributions (including dividends) it receives from Prosus to its free float shareholders (as Prosus is subject to the waiver discussed above). Based on this arrangement, Prosus is eligible to the economic benefits generated by the Naspers entities outside of the Prosus group.

Almost all of the value of the Naspers shares is derived from the investments in the Prosus group. Should the 49.5% fully diluted interest in Naspers be accounted for as a financial instrument at fair value, it would result in the group effectively recognising 49.5% of its own value on the condensed consolidated statement of financial position with fair-value changes recognised in OCI and accumulated in equity.

Based on the substance of the transaction the portion of the effective interest in Naspers that relates to Prosus’s underlying investments is accounted for as a shareholder distribution. This is recognised in equity in the “existing business combination reserve”. This portion of the transaction is therefore treated as a transaction with shareholders in contemplation of a capital restructure. Only Prosus’s residual interest in the Naspers group is recognised as a FVOCI investment on the condensed consolidated statement of financial position. The FVOCI investment relating to the 3.7% Naspers N ordinary shares acquired before the share exchange was derecognised at the date of the share exchange.

The fair value of the residual interest in the Naspers group was assessed based on the sum-of-the-parts considering the fair value of the underlying components on a marketable and controlling basis, applying a consistent valuation model. The group further applied a marketability discount (45%) to arrive at the fair value of the residual interest on a non-marketable and non-controlling basis (unit of account). A marketability discount factors in the indirect interest in the residual assets as Prosus cannot directly or indirectly dispose of any Naspers shares without Naspers’s approval, and cannot direct the activities or decide on the distributions (be it dividends or the actual shares) from the residual interest in Naspers to its shareholders. A movement in the marketability discount rate of 1% will result in an increase or decrease of US\$4m.

Accounting for the issue of class B ordinary shares to Naspers

In addition to the above transaction, Prosus issued newly created class B ordinary shares to Naspers for cash consideration of €56.4m (US\$66.3m). The issue of these shares was recognised as an increase in the share capital and share premium of the group.

3. Significant changes in financial position and performance during the reporting period (continued)

Reclassification of treasury shares

The group made a decision to show the treasury shares separately in the statement of changes in equity as well as on the face of statement of financial position. The group considers that the change in presentation will provide more relevant information about the treasury shares held by Prosus subsequent to the share repurchase programme.

At 31 March 2021, the group held 11 874 493 N ordinary shares as treasury shares. These shares were acquired as part of the share repurchase programme that began in October 2020. The shares repurchased at 31 March 2021 were measured at the cost on the date of repurchase and were recognised as treasury shares in “retained earnings” on the consolidated statement of financial position.

As at 31 March 2021, the treasury shares were recognised against retained earnings, with subsequent reclassification to treasury shares within equity during the current period. The reclassification has no change on the group’s overall equity, however, comparative figures on the condensed consolidated statement of financial position have been restated for the reclassification of treasury shares between “retained earnings” and “treasury shares” which is now presented separately.

Below is a summary of the impact of the reclassification of the treasury shares between “retained earnings” and “treasury shares” on the condensed consolidated statement of financial position and condensed consolidated statement of changes in equity as at 31 March 2021.

Condensed consolidated statement of financial position and statement of changes in equity

	Previously reported US\$'m	Year ended 31 March 2021 Reclassi- fication ¹ US\$'m	Restated US\$'m
Share capital and premium	612	—	612
Treasury shares	—	(1 415)	(1 415)
Other reserves	5 818	—	5 818
Retained earnings	36 639	1 415	38 054
Capital and reserves attributable to the group's equity holders	43 069	—	43 069

¹ Represents the impact of the reclassification of the treasury shares between “retained earnings” and “treasury shares” on the condensed consolidated statement of financial position and condensed consolidated statement of changes in equity.

Notes to the condensed consolidated interim financial statement

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for the six months ended 30 September 2021

4. Covid-19 impact on the condensed consolidated interim financial statements

The global Covid-19 pandemic began to affect the operations of the group towards the end of March 2020. More than a year later, including the rollout of vaccines across the world, the pandemic has had limited negative impact on the group's financial position, financial performance and cash flows presented in these condensed consolidated interim financial statements for the six months ended 30 September 2021.

Use of significant judgements and estimates

The group has continuously monitored the significant judgements and estimates used to support the reported assets, liabilities, income and expenses for the six months ended 30 September 2021 for any possible impacts of the pandemic.

Risk management

The annual report for the year ended 31 March 2021 described certain risks which could have an adverse effect on the group's financial position and results. Those risks remain valid and should be read in conjunction with these condensed consolidated interim financial statements.

The group has remained resilient and performed well during the six months ended 30 September 2021. Like most companies, the group faced operational challenges particularly in countries such as India and LatAm that experienced an intense third wave of the pandemic. However, the continued migration of consumers to online platforms has had a positive impact on the group and is reflected in the financial position, financial performance and cash flows generated during the six months ended 30 September 2021.

5. Segmental review

	Revenue			
	Six months ended 30 September			Year ended 31 March
	2021 US\$m	2020 US\$m	% change	2021 US\$m
<i>Ecommerce</i>	4 171	2 608	60	6 230
Classifieds	1 301	628	>100	1 599
Food Delivery	1 261	610	>100	1 486
Payments and Fintech	359	252	42	577
Etail	1 029	965	7	2 250
Edtech ¹	120	51	>100	115
Other ¹	101	102	(1)	203
<i>Social and Internet Platforms</i>	12 463	10 082	24	22 526
Tencent	12 250	9 912	24	22 155
VK (previously Mail.ru)	213	170	25	371
Corporate segment	—	—	—	—
Total economic interest	16 634	12 690	31	28 756
Less: Equity-accounted investments	(13 569)	(10 517)	(29)	(23 640)
Total consolidated	3 065	2 173	41	5 116

¹ From 1 April 2021 the group created a new Edtech segment. The Edtech equity-accounted investments were presented in the "Other Ecommerce" segment in prior periods and have been reclassified and presented as part of the new segment.

5. Segmental review (continued)

	Adjusted EBITDA ¹			
	Six months ended 30 September			Year ended 31 March
	2021 US\$'m	2020 US\$'m	% change	2021 US\$'m
<i>Ecommerce</i>	(276)	(140)	(97)	(277)
Classifieds	141	56	>100	67
Food Delivery	(281)	(168)	(67)	(313)
Payments and Fintech	(27)	(27)	—	(59)
Etail	10	40	(75)	102
Edtech ³	(42)	(11)	>(100)	(11)
Other ^{3, 4}	(77)	(30)	>(100)	(63)
<i>Social and Internet Platforms</i>	4 012	3 464	16	7 229
Tencent	3 969	3 426	16	7 151
VK (previously Mail.ru)	43	38	13	78
Corporate segment	(75)	(36)	>(100)	(104)
Total economic interest	3 661	3 288	11	6 848
Less: Equity-accounted investments	(3 766)	(3 277)	(15)	(6 901)
Total consolidated	(105)	11	>(100)	(53)

¹ Adjusted EBITDA is a non-IFRS measure that represents operating profit/(loss), as adjusted to exclude: depreciation; amortisation; retention option expenses linked to business combinations; other (losses)/gains - net, which includes dividends received from investments, profits and losses on sale of assets, fair-value adjustments of financial instruments, impairment losses and gains or losses on settlement of liabilities; cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; and subsequent fair-value remeasurement of cash-settled share-based compensation expenses, equity-settled share-based compensation expenses for group share option schemes, as well as those deemed to arise on shareholder transactions (but not excluding share-based payment expenses for which the group has a cash cost on settlement with participants). It is considered a useful measure to analyse operational profitability.

² During the March 2021 financial year-end, the Naspers board approved a change to the group's definition to adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. These non-IFRS measures now include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. They therefore exclude the subsequent remeasurement of the group's cash-settled share-based compensation benefits. This resulted in the restatement of these measures for the six-month period ended 30 September 2020. Details of the restatement are explained on page 29.

³ From 1 April 2021 the group created a new Edtech segment. The Edtech equity-accounted investments were presented in the "Other Ecommerce" segment in prior periods and have been reclassified and presented as part of the new segment.

⁴ During the 31 March 2021 financial year-end, the way that corporate costs were presented to the CODM was changed. Corporate costs, previously allocated and disclosed in the "Other Ecommerce" subsegment, are now included in the "Corporate segment". This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.

Notes to the condensed consolidated interim financial statement

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for the six months ended 30 September 2021

5. Segmental review (continued)

Trading (loss)/profit¹

	Six months ended 30 September			Year ended
	2021 US\$m	2020 US\$m	% change	2021 US\$m
		Restated ²		31 March
<i>Ecommerce</i>	(572)	(214)	(74)	(429)
Classifieds	108	29	>100	9
Food Delivery	(312)	(189)	(65)	(355)
Payments and Fintech	(31)	(31)	–	(68)
Etail	(11)	24	>(100)	68
Edtech ³	(48)	(13)	>(100)	(14)
Other ^{3, 4}	(78)	(34)	>(100)	(69)
<i>Social and Internet Platforms</i>	3 385	2 983	13	6 154
Tencent	3 373	2 968	14	6 126
VK (previously Mail.ru)	12	15	(20)	28
Corporate segment	(78)	(40)	(95)	(110)
Total economic interest	2 935	2 729	8	5 615
Less: Equity-accounted investments	(3 102)	(2 770)	(12)	(5 778)
Total consolidated	(167)	(41)	>(100)	(163)

¹ Trading (loss)/profit is a non-IFRS measure that refers to adjusted EBITDA adjusted for depreciation, amortisation of software and interest on capitalised lease liabilities. It is considered a useful measure to analyse operational profitability.

² During the March 2021 financial year-end, the Naspers board approved a change to the group's definition to adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. These non-IFRS measures now include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. They therefore exclude the subsequent remeasurement of the group's cash-settled share-based compensation benefits. This resulted in the restatement of these measures for the six-month period ended 30 September 2020. Details of the restatement are explained on page 29.

³ From 1 April 2021 the group created a new Edtech segment. The Edtech equity-accounted investments were presented in the "Other Ecommerce" segment in prior periods and have been reclassified and presented as part of the new segment.

⁴ During the 31 March 2021 financial year-end, the way that corporate costs were presented to the CODM was changed. Corporate costs, previously allocated and disclosed in the "Other Ecommerce" subsegment, are now included in the "Corporate segment". This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.

5. Segmental review (continued)

Changes to the definition of adjusted EBITDA and trading profit/(loss)

From April 2020, the Naspers board (the board) approved a prospective change in the settlement mechanism for the group's share appreciation rights (SARs) plans from settlement in Naspers N ordinary shares to using cash resources for settlement. Accordingly, these plans are classified as cash-settled share-based payment expenses for both Prosus and Naspers. The change in settlement mechanism is at a Naspers group level and had no impact on the Prosus results as these plans were classified as cash-settled SARs since the formation of the Prosus group.

In October 2020, the board approved a change to the group's definition to adjusted EBITDA and trading profit/(loss) related to the treatment of SAR share-based compensation benefits. Adjusted EBITDA and trading profit/(loss) now include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. The non-IFRS measures therefore exclude the subsequent remeasurement of the group's cash-settled share-based compensation benefits. These non-IFRS measures are aimed to reflect a consistent measure of the group's operational profitability.

From April 2020, post the change in the settlement mechanism, the CODM reviewed these two non-IFRS measures because the volatility in the fair value of our Ecommerce portfolio may distort the operating performance of the group's segments.

The above change was included in the adjusted EBITDA and trading profit/(loss) results presented for the year ended 31 March 2021, however, this is different from what was reported for the six months ended 30 September 2020. The CODM simultaneously reviewed segment information for these non-IFRS measures without the subsequent fair-value remeasurement. Accordingly, in October 2020, subsequent to the board approval of the change to the definition of these non-IFRS measures, the September 2020 results were restated.

On an economic-interest basis, these non-IFRS measures will continue to include the group's proportionate share of its associate cash-settled share-based compensation expenses and exclude the share of its associate equity-settled share-based compensation expenses.

Below are the details of the restatement of adjusted EBITDA and trading profit/(loss) results for the six months ended 30 September 2020:

Restatement of adjusted EBITDA and trading loss for the six months ended 30 September 2020

	Six months ended 30 September 2020		
	Previously reported US\$m	Restatement adjustment ¹ US\$m	Restated US\$m
Consolidated adjusted EBITDA	(55)	66	11
Consolidated trading loss	(107)	66	(41)
Consolidated operating loss	(207)	—	(207)

¹ Represents the restatement adjustment for the remeasurement of the group's cash-settled share-based compensation liability excluded from the non-IFRS measures.

Notes to the condensed consolidated interim financial statement

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for the six months ended 30 September 2021

5. Segmental review (continued)

Reconciliation of consolidated adjusted EBITDA and trading loss to consolidated operating loss

	Six months ended 30 September		Year ended 31 March
	2021 US\$m	Restated* 2020 US\$m	2021 US\$m
Consolidated adjusted EBITDA	(105)	11	(53)
Depreciation	(53)	(43)	(93)
Amortisation of software	(4)	(4)	(7)
Interest on capitalised lease liabilities	(5)	(5)	(10)
Consolidated trading loss	(167)	(41)	(163)
Interest on capitalised lease liabilities	5	5	10
Amortisation of other intangible assets	(60)	(57)	(131)
Other gains/(losses) – net	55	(24)	(87)
Retention option expense	(2)	(11)	(62)
Remeasurement of cash-settled share-based incentives expenses	(128)	(66)	(594)
Share-based incentives for share options settled in Naspers Limited shares	(7)	(13)	(13)
Consolidated operating loss	(304)	(207)	(1 040)

* During the period ended 31 March 2021, the group changed its definition of adjusted EBITDA and trading loss to exclude the remeasurement of the cash-settlement share-based payment liability.

6. Earnings per share

	Six months ended 30 September		Year ended 31 March
	2021 US\$'m	2020 US\$'m	2021 US\$'m
Earnings			
Basic earnings attributable to shareholders	15 891	3 015	7 449
Impact of dilutive instruments of subsidiaries, associates and joint ventures	(75)	(39)	(139)
Diluted earnings attributable to shareholders	15 816	2 976	7 310
Headline adjustments			
<i>Adjustments for:</i>	(13 536)	(347)	(1 362)
Impairment of goodwill and other intangible assets	—	—	68
Gains recognised on loss of significant influence	(25)	—	—
Net loss/(gains) on acquisitions and disposals of investments	9	(241)	(359)
Gain on partial disposal of equity-accounted investments	(12 339)	(19)	(19)
Dilution gains on equity-accounted investments	(120)	(63)	(981)
Remeasurements included in equity-accounted earnings ¹	(1 062)	(42)	(101)
Impairment of equity-accounted investments	1	18	30
	2 355	2 668	6 087
Total tax effects of adjustments	(1)	(175)	(173)
Total adjustment for non-controlling interest	—	(64)	(74)
Basic headline earnings²	2 354	2 429	5 840
Diluted headline earnings	2 279	2 390	5 701

¹ Remeasurements included in equity-accounted earnings include US\$1.1bn (2020: US\$440.4m and March 2021: US\$1.1bn) relating to gains arising on acquisitions and disposals by associates and US\$23m relating to net impairments of assets recognised by associates (2020: US\$305m and March 2021: US\$932.5m).

² Headline earnings represent net profit for the year attributable to equity holders of the group, excluding certain defined separately identifiable remeasurements. The headline earnings measure is pursuant to the JSE Listings Requirements.

The earnings per share represent the economic interest per share taking into account the impact of the cross-holding agreement between Prosus and Naspers, which became effective at the time of the closing of the voluntary share exchange (refer to note 3). The cross-holding agreement deals with how distributions by Prosus will be attributed to its N ordinary shareholders.

Under the cross-holding agreement, Naspers has waived its entitlement to any distributions from Prosus for a calculated number of the N ordinary shares it holds in Prosus, as these represent the portion of the Prosus ordinary shares N that Prosus indirectly owns in itself, by virtue of its 49.5% fully dilutive interest in Naspers. These N ordinary shares (cross-holding N ordinary shares) are excluded from the earnings per share calculation, as they contractually do not have an economic interest in the earnings of the group.

Notes to the condensed consolidated interim financial statement

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6. Earnings per share (continued)

The number of shares in issue used in the earnings per share information is weighted for the period that the shares were in issue.

As a result, the N ordinary shares issued in the share exchange in August 2021, the N ordinary shares related to the cross-holding agreement, and the N ordinary shares repurchased from August 2021 (refer to note 16) are weighted for the period that they have been in issue up until 30 September 2021.

The A and B ordinary shareholders are entitled to one voting right per share. The A ordinary shareholders are entitled to one fifth of the economic rights attributable to the Prosus free float shareholders. The B ordinary shareholders are entitled to one millionth of the economic rights of the Prosus ordinary shares N.

	Six months ended 30 September 2021
Earnings attributable to shareholders	15 891
Headline earnings	2 354
	Participating N ordinary shares
Issued shares	
Net number of shares in issue at period-end (net of treasury shares) ¹	2 042 541 297
Cross-holding N ordinary shares	(584 373 494)
Net number of shares at period-end	1 458 167 803
Weighted average number of ordinary shares	
Issued net of treasury shares at the beginning of the period	1 612 777 577
Weighting of share buyback	(958 733)
Weighting of cross-holding N ordinary shares*	(146 891 698)
Weighting of N ordinary shares issued to Naspers shareholders*	112 861 260
Weighted average number of shares in issue during the period	1 577 788 406
Adjusted for effect of future share-based payment transactions	—
Diluted weighted average number of shares in issue during the period	1 577 788 406
Per share information for the period (US cents)²	
Earnings per N ordinary share for the period	1 007
Diluted earnings per N ordinary share for the period	1 002
Headline earnings per N ordinary share for the period	149
Diluted headline earnings per N ordinary share for the period	144

* Weighting applied for 46 of 183 days post the share exchange programme on 15 August 2021. Refer to note 3.

¹ Includes 448 991 535 N ordinary shares issued to Naspers shareholders due to the share exchange. The Prosus free float shareholders hold 862 291 285 N ordinary shares with the remaining 1 180 250 012 N ordinary shares being held by Naspers.

² Earnings per share for A ordinary shareholders amount to 89 US cents (30 September 2020: 10 US cents and 31 March 2021: 25 US cents) and B ordinary shareholders amount to nil US cents.

6. Earnings per share (continued)

	Six months ended 30 September 2020 Number of shares	Year ended 31 March 2021 Number of shares Restated*
Net number of N ordinary shares in issue at period-end (net of treasury shares)	1 624 652 070	1 612 777 577
Share-repurchase programme	—	9 677 290
Weighted average number of N ordinary shares in issue during the period	1 624 652 070	1 622 454 867
Adjusted for effect of future share-based payment transactions	—	—
Diluted weighted average number of N ordinary shares in issue during the period	1 624 652 070	1 622 454 867
Per share information for the period		
Earnings per N ordinary share (US cents) for the period	186	459
Diluted earnings per N ordinary share (US cents) for the period	183	450
Headline earnings per N ordinary share (US cents) for the period	150	360
Diluted headline earnings per N ordinary share (US cents) for the period	147	351

* Restated to exclude Prosus A ordinary shares.

Notes to the condensed consolidated interim financial statement

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7. Revenue from contracts with customers

	Reportable segment(s) where revenue is included	Six months ended 30 September		Year ended
		2021 US\$'m	2020 US\$'m	31 March 2021 US\$'m
Online sale of goods revenue	Classifieds and Etail	1 614	1 147	2 826
Classifieds listings revenue	Classifieds	505	325	715
Payment transaction commissions and fees	Payments and Fintech	317	221	513
Mobile and other content revenue	Other Ecommerce	33	79	147
Food-delivery revenue	Food Delivery	461	322	733
Advertising revenue	Various	43	31	71
Educational technology revenue	Edtech	23	–	–
Other revenue	Various	69	48	111
		3 065	2 173	5 116

Revenue is presented on an economic-interest basis (ie including the proportionate consolidation of the revenue of associates and joint ventures) in the group's segmental review and is accordingly not directly comparable to the above consolidated revenue figures.

8. Finance (costs)/income

	Six months ended 30 September		Year ended
	2021 US\$'m	2020 US\$'m	31 March 2021 US\$'m
Interest income	29	59	83
Loans and bank accounts	24	43	61
Other ¹	5	16	22
Interest expense	(180)	(108)	(262)
Loans and overdrafts	(174)	(99)	(245)
Capitalised lease liabilities	(5)	(5)	(10)
Other	(1)	(4)	(7)
Other finance (costs)/income – net	(171)	(5)	177
Gains on translation of assets and liabilities	32	–	55
(Losses)/gains on derivative and other financial instruments ²	(203)	(5)	122

¹ Includes interest received on tax in September 2020. Refer to note 13.

² The current period includes a cost of US\$217m related to the early settlement of portions of the 2025 and 2027 bonds. Refer to note 16.

9. Profit before taxation

In addition to the items already detailed, profit before taxation has been determined after taking into account, inter alia, the following:

	Six months ended 30 September	2020	Year ended 31 March 2021
	2021	2020	2021
	US\$'m	US\$'m	US\$'m
Depreciation of property, plant and equipment	53	43	93
Amortisation	64	61	138
Software	4	4	7
Other intangible assets	60	57	131
Impairment losses on financial assets measured at amortised cost	7	6	15
Net realisable value adjustments on inventory, net of reversals¹	3	–	–
Other gains/(losses) – net	55	(24)	(87)
Impairment of goodwill and other intangible assets	–	–	(68)
Income on business support services	13	–	–
Dividends received on investments	39	–	4
Fair-value adjustments on financial instruments	4	(1)	(4)
Covid-19 donation	–	(13)	(13)
Increase in provisions related to disposals	–	(12)	–
Other	(1)	2	(6)
Net (losses)/gains on acquisitions and disposals	(18)	211	309
Gains on disposal of investments – net	(9)	241	241
Gains recognised on sale of business – net	–	–	118
Gains recognised on loss of significant influence	25	–	–
Transaction-related costs	(31)	(27)	(51)
Other	(3)	(3)	1

¹ Net realisable value writedowns relate primarily to the *Etail* segment.

Notes to the condensed consolidated interim financial statement

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10. Goodwill

Movements in the group's goodwill for the period are detailed below:

	Note	Six months ended 30 September		Year ended 31 March
		2021 US\$'m	2020 US\$'m	2021 US\$'m
Goodwill				
Cost		2 261	2 263	2 263
Accumulated impairment		(159)	(94)	(94)
Opening balance		2 102	2 169	2 169
Foreign currency translation effects		21	16	31
Acquisitions of subsidiaries and businesses	15	1 707	4	42
Disposals of subsidiaries and businesses		—	(76)	(72)
Impairment		—	—	(68)
Closing balance		3 830	2 113	2 102
Cost		3 951	2 210	2 261
Accumulated impairment		(121)	(97)	(159)

Goodwill is tested for impairment annually on 31 December or more frequently if there is a change in circumstances that indicates that it might be impaired. For the year ended March 2021, the group used its 10-year budgets and forecasts to calculate discounted cash flow valuations to identify whether there were any indicators that goodwill allocated to various cash-generating units (CGUs) was impaired. The group assessed its goodwill impairment calculations as well as the appropriateness of the recoverable amounts used to determine whether a CGU was impaired. The value-in-use amounts used were considered appropriate based on the budgets and forecasts, taking into account the impact of the Covid-19 pandemic.

Since the onset of the pandemic, the group has strived to be well placed to respond effectively to the world's increased need for online products and services. The group's businesses across online classifieds, food delivery, payments and finance technology, education technology and online retail have continued to serve and support their customers and communities. As a consequence, the group's businesses continue to grow despite the adverse effects of the pandemic and lockdown restrictions imposed by the third wave. The group recognised goodwill impairment of US\$67.6m as at 31 March 2021 primarily related to Silver Indonesia JVCo B.V. and Aasaanjobs Private Limited in the Classifieds segment which had shown a decline in performance from the prior year.

For the six months ended 30 September 2021, the group assessed whether there was a change in circumstances that indicates that goodwill allocated to CGUs might be impaired, taking into consideration the ongoing impact of the pandemic on the underlying businesses during the period and the overall businesses performance. The assessment of impairment indicators for goodwill included the market capitalisation of the group (including its underlying listed investments), actual performance of the CGUs during the period against budgets and forecasts, and movements in parameters applied in discount rate build-ups. Estimating the future performance of the group's CGUs is challenging during this pandemic. No indicators of impairment were identified in any CGU. Despite the macroeconomic adverse effects of the ongoing pandemic, the group performed well across its core ecommerce segments in light of the rollout of Covid-19 vaccines globally which eased lockdown restrictions and the contingency plans implemented in response to market changes. For the six months ended 30 September 2021, the group's CGUs have performed in line with budgets and forecasts. In addition, there were no significant increases in discount rates used to value the group's unlisted investments. Based on the impairment assessment performed, no impairment loss was recognised during the period. The group will continue to monitor the performance of its businesses as circumstances change and/or information becomes available that may indicate that the goodwill may be impaired.

11. Investments in associates

The movement in the carrying value of the group's investments in associates is detailed in the table below.

	Six months ended 30 September		Year ended 31 March
	2021 US\$m	2020 US\$m	2021 US\$m
Opening balance	40 556	22 233	22 233
Associates acquired – gross consideration	4 223	836	2 342
Associates disposed of	(1)	(4)	(20)
Share of current-year changes in OCI and NAV	1 607	2 861	6 819
Share of equity-accounted results	4 087	2 880	7 114
Impairment	(1)	–	(9)
Dividends received	(571)	(458)	(458)
Foreign currency translation effects	211	1 211	1 546
Partial disposal of interest in associate ¹	(2 315)	(1)	(1)
Dilution gains/(losses) ²	120	80	990
Closing balance	47 916	29 638	40 556

¹ At 30 September 2021, gains on partial disposal recognised in the condensed consolidated income statement relate to the 2% disposal of Tencent Holdings Limited. The group recognised a gain on partial disposal of US\$12.34bn.

² The total dilution gains/(losses) presented in the income statement relates to the group's diluted effective interest in associates and the reclassification of a portion of the group's foreign currency translation reserves from other comprehensive income to the income statement following the shareholding dilutions. At 31 March 2021, the dilution gains relate primarily to the 4% dilution in the group's interest in Delivery Hero of US\$834.7m as a result of a shares issue.

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for the six months ended 30 September 2021

12. Other investments and loans

	Six months ended 30 September		Year ended 31 March
	2021 US\$m	2020 US\$m	2021 US\$m
Investments at fair value through OCI	1 929	1 024	4 122
Investments at fair value through profit or loss ¹	77	13	1 258
Investments at amortised cost	12	11	11
Other investments and loans	376	207	365
Total investments and loans	2 394	1 255	5 756
Current portion of other investments	27	11	1 253
Investments at fair value through profit or loss ¹	16	—	1 242
Investments at amortised cost	11	11	11
Non-current portion of other investments	2 367	1 244	4 503
Reconciliation of investments at fair value through other comprehensive income			
Opening balance at 1 April 2021	4 122		
Fair value adjustments recognised in OCI	(958)		
Purchases/additional contributions	1 372		
Loss of significant influence of an investment in associate	26		
Impact of share exchange ²	(2 640)		
Other	7		
Closing balance at 30 September 2021	1 929		

¹ The balance as at 31 March 2021 represents the contractual right to receive the Delivery Hero shares or cash. Refer to note 15.

² Significant movement in the current year relates to the share exchange transaction. Refer to note 3.

13. Commitments and contingent liabilities

Commitments relate to amounts for which the group has contracted, but that have not yet been recognised as obligations in the statement of financial position.

	Six months ended 30 September		Year ended 31 March
	2021 US\$m	2020 US\$m	2021 US\$m
Commitments	137	136	92
Capital expenditure	2	5	3
Other service commitments	115	120	76
Lease commitments ¹	20	11	13

¹ Lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement dates are after 30 September 2021. Short-term lease commitments relate to leasing arrangements with lease terms of 12 months or less that are not recognised in the statement of financial position.

The group operates a number of businesses in jurisdictions where taxes are payable on certain transactions or payments. The group continues to seek relevant advice and works with its advisers to identify and quantify such tax exposures. The group has no uncertain tax positions for the six months ended 30 September 2021. The group had an uncertain tax position of US\$170.8m at 31 March 2020 related to amounts receivable from tax authorities. In September 2020, the group received this amount and recognised it in "Taxation" in the condensed consolidated income statement, where it was originally recognised. The receipt of the amount has evidenced that no taxation was payable on the transaction, and therefore this cash flow has been classified consistently with the underlying transaction in the condensed consolidated statement of cash flows.

Notes to the condensed consolidated interim financial statement

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for the six months ended 30 September 2021

14. Equity compensation benefits

Liabilities arising from share-based payment transactions

Reconciliation of the cash-settled share-based payment liability is as follows:

	Six months ended 30 September		Year ended 31 March
	2021 US\$m	2020 US\$m	2021 US\$m
Opening carrying amount of cash-settled share-based payment liability	1 056	376	376
SAR scheme charge per the income statement ¹	187	108	675
Employment-linked put option charge per the income statement	10	8	45
Additions	—	6	17
Settlements	(205)	(46)	(105)
Modification ²	356	46	49
Foreign currency translation effects	(15)	1	(1)
Closing carrying amount of cash-settled share-based payment liability	1 389	499	1 056
Less: Current portion of share-based payment liability	(1 191)	(410)	(897)
Non-current portion of share-based payment liability	198	89	159

¹ The expense at 31 March 2021 is as a result of the growth in the fair values of the underlying businesses that increased the estimated cash settlement for the scheme.

² Some of the group's equity-settled compensation plans were prospectively modified to cash-settled due to the change in settlement policy of the share option schemes (refer to details below for the modification of the iFood share-option scheme).

As at 31 March 2021, the iFood share option scheme (the scheme) was equity-settled as these options were settled in iFood Holdings B.V. shares. In June 2021, the Naspers and iFood Holdings B.V. boards approved a prospective change in the settlement of these options by providing liquidity to employees of the scheme which will be settled in cash going forward. All other features of the awards, including strike price, vesting and expiry periods remain unchanged.

The fair value of the iFood scheme recognised as a share-based payment liability on the effective date of the amendment was US\$302.1m. The share-based payment reserve related to this scheme was US\$16.3m. The change in settlement is accounted for as a modification, with the difference between the existing share-based reserve and the share-based liability of US\$285.9m being recognised through retained earnings in equity. This increase in the liability compared to the grant date fair value is as a result of the growth in the fair values of the underlying businesses that increased the estimated cash settlement for the scheme. Following this change, the iFood scheme is accounted for in terms of the group's accounting policy as cash-settled share-based payments.

15. Business combinations, other acquisitions and disposals

The following relates to the group's significant transactions related to business combinations and equity-accounted investments for the six months ended 30 September 2021:

Company	Classification	Amount invested			
		Net cash paid/ (received) US\$'m	Non-cash consi- deration US\$'m	Cash in entity acquired US\$'m	Total consi- deration US\$'m
Acquisitions					
(a) Good Bidco B.V. (GoodHabitz)	Subsidiary	252	—	6	258
(b) Stack Overflow	Subsidiary	1 645	—	97	1 742
		1 897	—	103	2 000
(c) Oda	Associate	116	—	—	116
(d) Bundl Technologies Private Limited (Swiggy)	Associate	274	—	—	274
(e) NText Transportation Services Private Limited (ElasticRun)	Associate	30	—	—	30
(f) Think & Learn Private Limited (BYJU'S)	Associate	153	—	—	153
(g) Delivery Hero SE (Delivery Hero)	Associate	298	1 242	—	1 540
(h) API Holdings Private Limited (PharmEasy)	Associate	220	—	—	220
(i) Churchill Capital Corp II (Skillsoft)	Associate	500	35	—	535
(j) Flink SE (Flink)	Associate	84	—	—	84
(k) Eruditus Learning Solutions Limited (Eruditus)	Associate	127	—	—	127
(l) Meesho Inc. (Meesho)	Associate	134	—	—	134
		1 936	1 277	—	3 213
(m) UrbanClap Technologies India Private Limited (Urban Company)	FVOCI	84	—	—	84
(g) Delivery Hero ¹	FVPL	936	—	—	936
		1 020	—	—	1 020
Disposals					
(n) Tencent Holdings Limited (Tencent)	Associate	(14 609)	—	—	(14 609)
		(14 609)	—	—	(14 609)

¹ Relates to the Delivery Hero shares bought in August 2021 and September 2021 before competition commission approval was obtained.

Notes to the condensed consolidated interim financial statement

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for the six months ended 30 September 2021

15. Business combinations, other acquisitions and disposals (continued)

Acquisition of subsidiaries

- a. In June 2021, the group acquired a 62% effective interest (61% fully diluted) for US\$258m in GoodHabitz. GoodHabitz provides educational information online, offering commercial, management, and technical training services in the Netherlands. The group accounted for this investment as a subsidiary.

The group has a put option arrangement with the non-controlling interest exercisable at specified future dates. The settlement of the put option arrangement is in cash or shares at the group's discretion. At acquisition, the group recognised a put option liability amounting to US\$144.1m, representing the expected redemption amount payable to non-controlling shareholders upon settlement of their ownership interest in the entity, included in "Other non-current liabilities" on the statement of financial position.

In addition, the group has a call option arrangement with the non-controlling shareholder that is linked to employment. It is exercisable at specified future dates upon termination of employment of the non-controlling shareholder due to specified circumstances. The group has the right to settle this call option in cash at the fair value of shareholders' interest. The non-controlling shareholder currently has all the economic benefits associated with ownership of the shares, as a result, the group's obligation to settle this interest is included in the put option liability mentioned above.

The main intangible assets recognised in the business combination were customer relationships, trademarks and technology. The main factor contributing to the goodwill recognised in the acquisition is GoodHabitz's market presence, product development capabilities and engineering capabilities.

- b. In August 2021, the group acquired a 100% effective and dilutive interest for US\$1.7bn in Stack Overflow. Stack Overflow is a leading knowledge-sharing platform for the global community of developers and technologists. The group accounted for this investment as a subsidiary.

The main intangible assets recognised in the business combination were trade names and technology. The main factor contributing to the goodwill recognised in the acquisition is Stack Overflow's market presence and engineering capabilities.

The purchase price allocation is yet to be finalised, therefore the table below summarises the preliminary acquisition date fair values of each major class of identifiable assets and liabilities recognised for the above two acquisitions in the Edtech segment.

Since the acquisition dates of the above business combinations, revenue of US\$23m and net losses of US\$13m have been included in the group's income statement. The impact on revenue and net losses from the above transactions, had the acquisitions taken place on 1 April 2021, was US\$55m and US\$19m respectively.

Preliminary acquisition date fair values of each major class of identifiable assets and liabilities recognised

	GoodHabitz June 2021 US\$m	Stack Overflow August 2021 US\$m
Cash paid	258	1 742
	26	267
Intangible assets	62	227
Property plant and equipment	1	2
Cash and deposits	6	97
Other receivables	8	37
Other liabilities	(21)	(35)
Deferred tax liabilities	(14)	(61)
Non-controlling interest ¹	(16)	—
Goodwill	232	1 475

¹ Non-controlling interest is measured at its proportionate share of the identifiable net assets of GoodHabitz at the acquisition date.

15. Business combinations, other acquisitions and disposals (continued)

Acquisition of equity-accounted investments

- c. In April 2021, the group acquired a 13% effective (12% fully diluted) interest for US\$116m in Oda, Norway's largest online grocery business. The group accounted for this investment as an equity-accounted associate on account of its significant influence on the board of directors.
- d. In April 2021, the group made an additional investment amounting to US\$274m in Swiggy, the operator of a first-party food-delivery marketplace in India. At 31 March 2021, the group held a 41% effective interest. As we did not participate equally in the funding round our effective interest is 36% (33% fully diluted) in Swiggy. The group continues to account for its interest in Swiggy as an investment in an associate.
- e. In April 2021, the group made an additional investment amounting to US\$30m in ElasticRun, a software and technology platform for providing transportation and logistics services in India. At 31 March 2021, the group held a 20% effective interest. Following this investment, the group holds a 24% effective interest (23% fully diluted) in ElasticRun. The group continues to account for its interest in ElasticRun as an investment in an associate.
- f. In April 2021, the group made an additional investment amounting to US\$153m in BYJU'S, India's largest education company and the creator of India's largest personalised learning app. At 31 March 2021, the group held an 11% effective interest. Following this investment, the group retained its 11% effective interest (10% fully diluted) in BYJU'S. The group continues to account for its interest in BYJU'S as an investment in an associate on account of its significant influence on the board of directors.
- g. In May 2021, the group completed bilateral trades that resulted in an additional investment in Delivery Hero. The group acquired an additional investment in Delivery Hero in March 2021, which increased its shareholding by 8% to 24.99%. The additional investment was acquired via the market and bilateral trades. At 31 March 2021, while legal ownership had transferred for this 8% additional interest, the access to the returns associated with the ownership had not fully transferred for 4% of this interest. Accordingly, the effective interest in Delivery Hero recognised at 31 March 2021 was 21% with the remaining 4% amounting to US\$1.2bn recognised as a contractual right to receive the shares or cash. In May 2021, the bilateral trades for the remaining 4% were completed, resulting in an increase in the effective shareholding of Delivery Hero to 24.99% as the access to the returns associated with the ownership for these shares have been transferred. The group paid an additional US\$188m for the increase in share price for this interest between March and May 2021. In addition, the financial asset amounting to US\$1.2bn recognised at 31 March 2021 for the right to receive this interest or cash was derecognised against the carrying value of the investment.

Furthermore, in August 2021 the group announced its intention to acquire an additional 2.5% stake in Delivery Hero, subject to Austrian competition regulatory approval, through its subsidiary, MIH Food Delivery Holdings B.V. The competition approval was granted in September and accordingly the group acquired an additional investment in Delivery Hero. The group increased its shareholding in Delivery Hero by 2.5% to 27% from 25%.

The additional investment was acquired initially as a call option to acquire the shares subject to competition approval, which was considered highly probable. The call option was acquired at the fair value of the shares amounting to US\$936m and recognised as a financial instrument measured at fair value through profit or loss. In addition, the group applied cash flow hedge accounting to the highly probable forecast acquisition of this additional investment, hedging the exposure to future share price increases in Delivery Hero shares between the date the call option was acquired, and the date approval was granted to acquire the additional shares. The additional investment in Delivery Hero was based on the fair value of the call option on the date that the approval was granted (US\$817m) and the accumulated losses in the cash flow hedge reserve (US\$119m). The accumulated losses within the cash flow hedge reserve were included in the cost of the investment, as based on the group's judgement the investment in associate is a non-financial asset. The resulting additional investment in Delivery Hero recognised after the basis adjustment was US\$936m.

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15. Business combinations, other acquisitions and disposals (continued)

Acquisition of equity-accounted investments (continued)

h. In May 2021, the group acquired a 16% effective interest (15% fully diluted) for US\$191m in PharmEasy. PharmEasy owns India's largest integrated digital healthcare platforms. The group accounted for this investment as an equity-accounted associate on account of its significant influence on the board of directors.

Subsequent to this initial investment, the group made an additional investment amounting to US\$29m. As we did not participate equally in the funding round, our effective interest is 14% (12% fully diluted) in PharmEasy. The group continues to account for its interest in PharmEasy as an investment in an associate on account of its significant influence on the board of directors.

i. In June 2021, the group acquired a 38% effective interest (34% fully diluted) for US\$500m in Churchill Capital Corp II (Churchill). Churchill is a special-purpose acquisition company that provides cloud-based learning, training and talent management solutions through its acquisition of Skillsoft and Global Knowledge. Skillsoft Corp (NYSE: SKIL) (Skillsoft), a global leader in corporate digital learning, commenced trading on the New York Stock Exchange (NYSE) under the ticker symbol "SKIL". This follows the completion of Software Luxembourg Holding S.A.'s merger with Churchill Capital Corp II and combination with Global Knowledge Training LLC (Global Knowledge) in June 2021, with the combined company now operating as Skillsoft. The group accounted for this investment as an equity-accounted associate. The cost of the investment in associate includes the fair value of a derivative financial asset amounting to US\$38m at the date of closing that arose because the purchase price for this investment was fixed in October 2020 on the signing date of this transaction.

In addition to the associate investment in Skillsoft, the group received 16 666 667 issued public warrants amounting to US\$41m in exchange for corporate support services to be provided to the company. The public warrants give the group the right to purchase Skillsoft common stock at an exercise price of US\$11.50 per share or are subject to a compulsory cash redemption on specified future dates and is contingent on the Skillsoft share price. The group accounts for these warrants as financial assets at fair value through profit or loss and recognised deferred income for the support services to be provided over a specified period.

j. In July 2021, the group acquired a 12% effective interest (12% fully diluted) for US\$84m in Flink. Flink is a German-based instant grocery-delivery company. The group will account for this investment as an equity-accounted associate on account of its significant influence on the board of directors. The agreement includes an arrangement with the founder shareholders in which their shareholding may be repurchased by Flink upon termination of employment at specified values. This share-based payment arrangement will be settled in cash. The founders' legal shareholding at acquisition is therefore accounted for as a compound financial instrument and not as a shareholder ownership interest. This increased the group's economic interest for equity-accounting in the associate to 20% as a result of this arrangement.

k. In August 2021, the group made additional investments amounting to US\$127m during the period, in Eruditus, an online platform using technology and curriculum innovation to offer professional education courses in collaboration with top-ranked universities globally. At 31 March 2021, the group held a 9% effective interest. Following these investments, the group holds a 13% effective interest (11% fully diluted) in Eruditus. The group continues to account for its interest in Eruditus as an investment in an associate on account of its significant influence on the board of directors.

l. In September 2021, the group made additional investments during the period, amounting to US\$134m, in Meesho, a leading social commerce online marketplace in India that enables independent resellers to build small businesses by connecting them with suppliers to curate a catalogue of goods and services to sell. Meesho also provides logistics and payment tools on its platform. At 31 March 2021, the group held a 12% effective interest. Following these investments, the group holds a 13% effective interest (12% fully diluted) in Meesho. The group continues to account for its interest in Meesho as an investment in an associate on account of its significant influence on the board of directors.

15. Business combinations, other acquisitions and disposals (continued)

Other investments

- m. In April 2021, the group acquired a 4% effective (and fully diluted) interest for US\$84m in Urban Company. Urban Company is one of the largest home services platforms in Asia, with representation in India, UAE, Singapore and Australia. The investment is not held for trading, therefore the group accounts for this as an investment at fair value through other comprehensive income.

Disposal of equity-accounted investments

- n. In April 2021, the group sold 2% of Tencent's total issued share capital. The sale reduced its stake in Tencent from approximately 31% to 29%, yielding US\$14.6bn in proceeds and a gain on partial disposal of US\$12.34bn. The group reclassified US\$41m of the foreign currency translation reserve to the condensed consolidated income statement related to this partial disposal. Proceeds from this disposal are included in short-term investments on the condensed consolidated statement of financial position.

Transactions with non-controlling interest

In April 2021, the group acquired the share capital held by non-controlling shareholders of its subsidiary Frontier Car Group Inc. (FCG), for US\$43.6m. At 31 March 2021, the group held a 91% effective interest. Following the acquisition, the group holds a 99% effective interest (98% fully diluted interest) in FCG. This resulted in the cancellation of the US\$66.4m written put option liability and the US\$16.6m employment-linked cash-settled share-based payment liability related to the non-controlling shareholders which was derecognised. The cancellation of the written put option liability was recognised in equity in the "existing business combination reserve" and the cancellation of the cash-settled share-based payment liability was recognised in the condensed consolidated income statement. The group recognised US\$61.2m in the "existing business combination reserve" in equity representing the gain from the change in ownership interest in the entity.

16. Significant financing transactions

Issuance and redemption of bond notes

In July 2021 the group issued US dollars and euro notes in an aggregate principal amount totalling US\$4.0bn equivalent under its global medium-term note programme. These issuances consist of US\$1.85bn 3.061% notes due in 2031, €1.0bn 1.288% notes due in 2029 and €850m 1.985% notes due in 2033 (the bonds).

The favourable market backdrop enabled Prosus to extend its debt maturity profile as part of a refinancing of its existing debt.

The purpose of the offerings was to raise proceeds for general corporate purposes, including debt refinancing, which took the form of a tender offer made in relation to its bonds maturing in 2025 and 2027.

Part of the proceeds from the bond issuance was used to partly settle these two bonds. The 2025 bond consisted of US\$1.2bn 5.5% notes and the 2027 bond consisted of US\$1bn 4.85% notes. The early settlement of these bonds consisted of repayments of principal, accrued interest and present value of the related future interest coupon payments at the date of settlement. The group settled US\$975m bond notes due in 2025 and US\$386m bond notes due in 2027 for a total combined consideration of US\$1.6bn. The difference between the market value of the future contractual payments and the carrying value of the note at amortised cost, of US\$217m (representing the market value premium) was recognised in "Other finance (costs)/income - net" in the income statement and as part of "Interest cost paid" in the statement of cash flows.

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16. Significant financing transactions (continued)

Issuance and redemption of bond notes (continued)

Part of the notes due in 2025 was linked to a cross-currency interest rate swap. The group designated the spot element of the cross-currency interest rate swap as a hedge of its net investment in Delivery Hero.

Due to the part settlement of the 2025 bond notes, the group partly settled the cross-currency interest rate swap (the swap) related to the portion of the bond notes that were settled. The group therefore discontinued the hedge for the portion of the swap that was settled. The group continued the hedge relationship for the remaining portion of the swap as the hedge of the net investment in Delivery Hero. The repayment of the swap amounted to US\$20m in July 2021, representing the fair value of the portion settled at that date.

The hedge ratio remained 1:1 and the risk strategy for this hedge relationship remained unchanged from that which was disclosed at 31 March 2021. The accumulated amount recognised for this hedge relationship in the foreign currency translation reserve was not reclassified following this partial settlement. The amount will only be reclassified if the investment in Delivery Hero is disposed. Ineffectiveness may arise from credit risk on the cross-currency interest rate swap. Ineffectiveness remains negligible post this partial settlement as all critical terms on the hedging instrument and hedged item match in relation to the portion of the debt that is outstanding.

Share repurchase programme

Purchase of Naspers N ordinary shares

Prosus acquired a total of 15 992 042 Naspers N ordinary shares as part of the share purchase programme announced in October 2020. A total of 10 568 947 N ordinary shares for US\$2.4bn were acquired as at 31 March 2021 and a further 5 423 095 Naspers N ordinary shares for US\$1.2bn were acquired between April and June 2021. The total purchase consideration for the repurchase programme was US\$3.6bn. The shares are held by Prosus and are included in the 49.5% fully diluted investment in Naspers.

Repurchase of Prosus ordinary shares N

In August 2021, Prosus commenced an on-market share repurchase programme of Prosus's ordinary shares N for a total consideration of up to US\$5bn from its free float shareholders in support of delivering the overall benefits of the Prosus voluntary share exchange offer to Naspers Limited N ordinary shareholders, completed on 16 August 2021. The total consideration includes costs and related taxes. Prosus intends to cancel the ordinary shares N repurchased under the repurchase programme in due course, so as to reduce its issued share capital. 19 227 815 Prosus ordinary shares N were repurchased and at 30 September 2021, US\$1.68bn was recognised in treasury shares of which US\$1.53bn was paid.

17. Financial instruments

The group's activities expose it to a variety of financial risks such as market risk (including currency risk, fair-value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed consolidated interim financial statements do not include all financial risk management information and disclosures as required in the annual consolidated financial statements and should be read in conjunction with the group's risk management information disclosed in note 40 of the consolidated financial statements, published in the annual report of Prosus for the year ended 31 March 2021. There have been no material changes in the group's credit, liquidity, market risks or key inputs used in measuring fair value since 31 March 2021.

The fair values of the group's financial instruments that are measured at fair value at each reporting period, are categorised as follows:

Fair-value measurements at 30 September 2021 using:

	Carrying value US\$m	Quoted prices in active markets for identical assets or liabilities (level 1) US\$m	Significant other observable inputs (level 2) US\$m	Significant unobservable inputs (level 3) US\$m
Assets				
Financial assets at fair value through other comprehensive income	1 929	1 215	4	710
Financial assets at fair value through profit or loss	77	61	—	16
Forward exchange contracts	1	—	1	—
Derivatives contained in lease agreements	8	—	—	8
Cash and cash equivalents ¹	934	—	934	—
Liabilities				
Forward exchange contracts	11	—	11	—
Earn-out obligations	15	—	—	15
Derivatives contained in lease agreements	2	—	—	2
Cross-currency interest rate swap	4	—	4	—

¹ Relates to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

Notes to the condensed consolidated interim financial statement

continued

for the six months ended 30 September 2021

17. Financial instruments (continued)

Fair-value measurements at 31 March 2021 using:

	Quoted prices in active markets for identical assets or liabilities (level 1) US\$m	Significant other observable inputs (level 2) US\$m	Significant unobservable inputs (level 3) US\$m
Assets			
Financial assets at fair value through other comprehensive income	4 122	3 985	4
Financial assets at fair value through profit or loss	1 258	—	1 242
Forward exchange contracts	3	—	3
Derivatives contained in lease agreements	9	—	—
Derivatives contained in acquisition agreements	15	15	—
Cash and cash equivalents ¹	996	—	996
Liabilities			
Forward exchange contracts	2	—	2
Earn-out obligations	13	—	—
Derivatives contained in lease agreements	2	—	—
Cross-currency interest rate swap	30	—	30

¹ Relates to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies.

There have been no transfers between levels 1, 2 or 3 during the reporting period, nor were there any significant changes to the valuation techniques and inputs used in measuring fair value.

17. Financial instruments (continued)

Valuation techniques and key inputs used to measure significant level 2 and level 3 fair values are as follows:

Level 2 fair-value measurement

Forward exchange contracts – in measuring the fair value of forward exchange contracts, the group makes use of market observable quotes of forward foreign exchange rates on instruments that have a maturity similar to the maturity profile of the group's forward exchange contracts. Key inputs used in measuring the fair value of forward exchange contracts include: current spot exchange rates, market forward exchange rates and the term of the group's forward exchange contracts.

Cross-currency interest rate swap – the fair value of the group's interest rate and cross-currency swaps is determined through the use of discounted cash flow techniques using only market observable information. Key inputs used in measuring the fair value of interest rate and cross-currency swaps include: spot market interest rates, contractually fixed interest rates, foreign exchange rates, counterparty credit spreads, notional amounts on which interest rate swaps are based, payment intervals, risk-free interest rates as well as the duration of the relevant interest rate and cross-currency swap arrangement.

Cash and cash equivalents – relate to short-term bank deposits which are money market investments held with major banking groups and high-quality institutions that have AAA money market fund credit ratings from internationally recognised rating agencies. The fair value of these deposits is determined by the amounts deposited and the gains or losses generated by the funds as detailed in the statements provided by these institutions. The gains/losses are recognised in the income statement.

Financial assets at fair value – relate to a contractual right to receive shares or cash. The fair value is based on a listed share price on the date the transaction was entered into.

Level 3 fair-value measurements

Financial assets at fair value – relate predominantly to unlisted equity investments. The fair value of these investments is based on the most recent funding transactions for these investments as well as the use of discounted cash flow techniques using both market observable and unobservable information for applicable investments.

Derivatives contained in lease agreements – relate to foreign currency forwards embedded in lease contracts. The fair value of the derivatives is based on forward foreign exchange rates that have a maturity similar to the lease contracts and the contractually specified lease payments.

Earn-out obligations – relate to amounts that are payable to the former owners of businesses now controlled by the group, provided that contractually stipulated post-combination performance criteria are met. These are remeasured to fair value at the end of each reporting period. Key inputs used in measuring fair value include: current forecasts of the extent to which management believe performance criteria will be met, discount rates reflecting the time value of money and contractually specified earn-out payments.

Notes to the condensed consolidated interim financial statement

continued

for the six months ended 30 September 2021

17. Financial instruments (continued)

Level 3 fair-value measurement (continued)

The following table shows a reconciliation of the group's level 3 financial instruments:

	30 September 2021			
	Financial assets at FVOCI ¹ US\$m	Financial assets at FVPL ² US\$m	Earn-out obligations US\$m	Derivatives embedded in leases US\$m
Balance at 1 April 2021	133	16	(13)	7
Additions ³	533	—	—	—
Total gains recognised in other comprehensive income	19	—	—	(1)
Total losses recognised in the income statement	—	—	(3)	—
Settlements/disposals	(1)	—	1	—
Total gains on loss of significant influence of an investment in associate	26	—	—	—
Total	710	16	(15)	6

	31 March 2021			
	Financial assets at FVOCI ¹ US\$m	Financial assets at FVPL ² US\$m	Earn-out obligations US\$m	Derivatives embedded in leases US\$m
Balance at 1 April 2020	85	13	(22)	4
Additions	76	3	(1)	3
Total losses recognised in the income statement	—	—	(10)	—
Total gains recognised in other comprehensive income	23	—	—	—
Settlements/disposals	(51)	—	20	—
Total	133	16	(13)	7

¹ Financial assets at fair value through other comprehensive income.

² Financial assets at fair value through profit or loss.

³ Relates to the recognition of the residual interest Prosus holds in the Naspers group due to the share exchange. Refer to note 3 for the share exchange transaction.

The carrying value of financial instruments is a reasonable approximation of their fair value, except for the publicly traded bonds detailed below:

	30 September 2021		31 March 2021	
	Carrying value US\$m	Fair value US\$m	Carrying value US\$m	Fair value US\$m
Financial liabilities				
Publicly traded bonds	10 435	10 363	7 827	7 935

The fair value of the publicly traded bonds has been determined with reference to the listed prices of the instruments as at the end of the reporting period. The fair value of the publicly traded bonds is level 2 financial instruments. The publicly traded bonds are listed on the Irish Stock Exchange (Euronext Dublin).

18. Related party transactions and balances

The group entered into various related party transactions in the ordinary course of business with a number of related parties, including associates, joint ventures and entities under common control. Transactions that are eliminated on consolidation are not included.

	Six months ended 30 September 2021 US\$m	Year ended 31 March 2021 US\$m
Sale of goods and services to related parties¹		
Skillssoft Corp	13	—
EMPG Holdings Limited	9	18
MIH Holdings Proprietary Limited	8	15
Bom Negócio Atividades de Internet Limitada (OLX Brasil)	3	3
Various other related parties	1	1
	34	37

¹ The group receives revenue from a number of its related parties in connection with service agreements. The nature of these related party relationships is that of Naspers group subsidiaries, group associates and joint ventures.

	Six months ended 30 September 2021 US\$m	Year ended 31 March 2021 US\$m
Services received from related parties¹		
MIH Holdings Proprietary Limited	5	11
Various related parties	—	—
	5	11

¹ The group receives corporate and other services rendered by a number of its related parties. The nature of these related party relationships is that of entities under the common control of the group's ultimate controlling parent, Naspers Limited.

	Six months ended 30 September 2021 US\$m	Year ended 31 March 2021 US\$m
Dividends paid to holding company		
Naspers Limited	—	155
	—	155

Notes to the condensed consolidated interim financial statement

continued

for the six months ended 30 September 2021

18. Related party transactions and balances (continued)

The balances of receivables and payables between the group and related parties are as follows:

	Six months ended 30 September 2021 US\$m	Year ended 31 March 2021 US\$m
Loans and receivables¹		
MIH Treasury Services Limited	14	7
Myriad/MIH (Malta) Limited	4	4
MIH Holdings Proprietary Limited	45	35
Bom Negócio Atividades de Internet Limitada (OLX Brasil) ²	180	171
MIH Internet Holdings B.V. Share Trust ³	155	169
Inversiones CMR S A S	9	—
Other	10	14
Less: Allowance for impairment of loans and receivables ⁴	—	—
Total related party receivables	417	400
Less: Non-current portion of related party receivables	(367)	(356)
Current portion of related party receivables	50	44
Payables		
MIH Holdings Proprietary Limited	3	7
Myriad/MIH (Malta) Limited	—	1
Mail.ru Group Limited	2	2
Other	2	—
Total related party payables	7	10
Less: Non-current portion of related party payables	(2)	(2)
Current portion of related party payables	5	8
Dividend payable		
Naspers Limited	98	—
Total dividend payable included in current liabilities	98	—

¹ The group provides services and loan funding to a number of its related parties.

² OLX Brasil acquired an interest in Grupo ZAP during the 31 March 2021 financial year. The acquisition was partially funded via a contribution and loan funding from the group. The loan is repayable by October 2035 and interest free until April 2022. Subsequently, interest is charged annually at SELIC+2%.

³ Relates to related party loan funding provided to Naspers group share trust for equity compensation plans. The loan is interest free and repayable in 2031, or upon winding up of the trust if earlier. Cash flows for this transaction are disclosed as investing activities on the summarised consolidated statement of cash flows.

⁴ Impairment allowance for non-current receivables from related parties is based on a 12-month expected credit loss model and was not material.

18. Related party transactions and balances (continued)

Terms of significant related party current receivables and payables

These above current receivables and payables relate primarily to cost recharges to/by entities under the common control of Naspers Limited, the group's ultimate controlling parent. These current receivables and payables are interest free.

Shares held in holding company

The group acquired US\$3.6bn shares in Naspers as part of the share repurchase programme announced in October 2020 and completed in June 2021. These shares were classified as fair value through other comprehensive income (OCI) investments up until the closing date of the voluntary share exchange in August 2021. The group recognised a fair value loss in OCI for the 3.7% Naspers investment amounting to US\$724.6m during the period from April to August 2021. This interest Prosus had in Naspers from the share repurchase programme represented 3.7% of the effective interest in Naspers and approximately 1% of the voting rights.

In August 2021, the group completed a voluntary share exchange offer to Naspers shareholders and issued newly created class B ordinary shares to Naspers. The voluntary share exchange offered Naspers shareholders to tender their existing Naspers N ordinary shares for newly issued Prosus ordinary shares N at an exchange ratio of 1 (one) Naspers N ordinary share for 2.27443 Prosus ordinary shares N. This interest, coupled with the 3.7% shareholding Prosus previously acquired in Naspers, as part of the share repurchase programme that was completed in June 2021, resulted in Prosus now holding a 49.5% fully dilutive interest in Naspers.

Prosus recognised a FVOCI investment amounting to US\$385m, representing its indirect interest in the residual interest in the Naspers group. In addition, the newly created class B ordinary shares were issued to Naspers for a consideration of €56.4m (US\$66.3m).

Refer to note 3 for details of the accounting treatment for the above transaction.

Group contributions to Naspers share trusts

The group made contributions to Naspers share trusts amounting to US\$151.3m (September 2020: US\$69m and 31 March 2021: US\$78.8m) during the current period.

19. Events after the reporting period

The group entered into an agreement with the shareholders of the Indian digital payments provider Indialdeas.com Limited (BillDesk) to acquire 100% of the equity in BillDesk for a consideration of approximately US\$4.7bn (INR345.0bn). The acquisition is structured as an all-cash transaction with the purchase price payable at closing, subject to the approval of the competition commission of India. The group will account for the investment in BillDesk as a subsidiary.

Independent auditor's review report on the condensed consolidated interim financial statements

Review report

To: the board of directors of Prosus N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements for the six months ended 30 September 2021 of Prosus N.V., Amsterdam, which comprise the condensed consolidated statement of financial position as at 30 September 2021, the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the six months then ended and the notes to the condensed consolidated interim financial statements. The directors are responsible for the preparation, and presentation of these condensed consolidated interim financial statements in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six months ended 30 September 2021 are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Amsterdam, 20 November 2021

PricewaterhouseCoopers Accountants N.V.

Original has been signed by Fernand Izeboud RA

Other information to the condensed consolidated interim financial statements

for the six months ended 30 September 2021

A. Non-IFRS financial measures and alternative performance measures

A.1 Core headline earnings

Core headline earnings, a non-IFRS performance measure, represent headline earnings for the period, excluding certain non-operating items. Specifically, headline earnings are adjusted for the following items to derive core headline earnings: (i) equity-settled share-based payment expenses on transactions where there is no cash cost to us. These include those relating to share-based incentive awards settled by issuing treasury shares, as well as certain share-based payment expenses that are deemed to arise on shareholder transactions; (ii) subsequent fair-value remeasurement of cash-settled share-based incentive expenses; (iii) cash-settled share-based compensation expenses deemed to arise from shareholder transactions by virtue of employment; (iv) deferred taxation income recognised on the first-time recognition of deferred tax assets as this generally relates to multiple prior periods and distorts current-period performance; (v) fair-value adjustments on financial and unrealised currency translation differences, as these items obscure our underlying operating performance; (vi) once-off gains and losses (including acquisition-related costs) resulting from acquisitions and disposals of businesses as these items relate to changes in our composition and are not reflective of our underlying operating performance; (vii) the amortisation of intangible assets recognised in business combinations and acquisitions; and (viii) the donations due to Covid-19, as these expenses are not considered operational in nature. These adjustments are made to the earnings of businesses controlled by us, as well as our share of earnings of associates and joint ventures, to the extent that the information is available

Impact of share-based compensation expenses on core headline earnings

Effective April 2020, the group changed the definition of core headline earnings related to the treatment of the group's SAR share-based compensation benefits. Core headline earnings include the impact of the group's SAR share-based compensation expenses based on the grant date fair value for cash-settled share-based compensation benefits. The CODM reviews core headline earnings to include the impact of share-based compensation expenses based on the grant date fair value for all of the group's SAR share-based compensation benefits. The non-IFRS measure therefore excludes the remeasurement portion of the group's cash-settled share-based compensation benefits. Including only the grant date, fair value of the group's cash-settled share-based compensation benefits is consistent with how the CODM reviewed these measures prior to the modification of the SARs to a cash-settled scheme. The above change was included in the adjusted EBITDA and trading profit/(loss) results presented for the year ended 31 March 2021, however, this is different from what was reported for the six months ended 30 September 2020. Accordingly, in October 2020, subsequent to board approval of the change to the definition of these non-IFRS measures, the September 2020 results were restated.

On an economic-interest basis, these non-IFRS measures will continue to include the group's proportionate share of its associate cash-settled share-based compensation expenses and exclude the share of its associate equity-settled share-based compensation expenses.

Other information to the condensed consolidated interim financial statements continued

for the six months ended 30 September 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.1 Core headline earnings (continued)

Reconciliation of core headline earnings

	Six months ended 30 September		Year ended 31 March
	2021 US\$m	2020 US\$m	2021 US\$m
Headline earnings (refer to note 6)	2 354	2 429	5 840
Adjusted for:			
- Equity-settled share-based payment expenses	591	352	746
- Remeasurement of cash-settled share-based incentive expenses*	123	66	594
- (Recognition)/reversal of deferred tax assets	—	—	6
- Amortisation of other intangible assets	337	189	440
- Fair-value adjustments and currency translation differences	(1 103)	(843)	(2 896)
- Retention option expense	2	10	62
- Transaction-related costs	34	26	47
- Covid-19 donations	—	13	13
- Other ¹	—	10	7
Core headline earnings	2 338	2 252	4 859
Per share information for the period			
Core headline earnings per N ordinary share (US cents)	148	139	299
Diluted core headline earnings per N ordinary share (US cents) ²	143	136	291

* During 31 March 2021, the group changed its definition of adjusted EBITDA and trading loss to exclude the remeasurement of the cash-settled share-based payment liability.

¹ Other adjustments relate mainly to the increase in provisions related to disposals.

² The diluted core headline earnings per share include a decrease of US\$75m (2020: US\$39m and 31 March: US\$139m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

A. Non-IFRS financial measures and alternative performance measures (continued)

A.1 Core headline earnings (continued)

Equity-accounted results

The group's equity-accounted investments contributed to the condensed consolidated interim financial statements as follows:

	Six months ended		Year ended
	30 September	2020	31 March
	2021	2020	2021
	US\$m	US\$m	US\$m
Share of equity-accounted results	4 074	2 875	7 095
- Gains on acquisitions and disposals	(1 089)	(440)	(1 132)
- Impairment of investments	26	305	933
Contribution to headline earnings	3 011	2 740	6 896
- Amortisation of other intangible assets	299	155	355
- Equity-settled share-based payment expenses	583	340	735
- Fair-value adjustments and currency translation differences	(1 269)	(851)	(2 734)
Contribution to core headline earnings	2 624	2 384	5 252
Tencent	2 977	2 617	5 721
VK (previously Mail.ru)	(25)	(8)	(34)
Delivery Hero	(190)	(111)	(230)
Other	(138)	(114)	(205)

The group applies an appropriate lag period of not more than three months in reporting the results of equity-accounted investments.

Other information to the condensed consolidated interim financial statements continued

for the six months ended 30 September 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals

The group applies certain adjustments to segmental revenue and trading profit reported in the condensed consolidated interim financial statements to present the growth in such metrics in local currency, excluding the effects of changes in the composition of the group. Such underlying adjustments provide a view of the company's underlying financial performance that management believes is more comparable between periods by removing the impact of changes in foreign exchange rates and changes in the composition of the group on its results. Such adjustments are referred to herein as "growth in local currency, excluding acquisitions and disposals". The group applies the following methodology in calculating growth in local currency, excluding acquisitions and disposals:

- Foreign exchange/constant currency adjustments have been calculated by adjusting the current period's results to the prior period's average foreign exchange rates, determined as the average of the monthly exchange rates for that period. The local currency financial information quoted is calculated as the constant currency results, arrived at using the methodology outlined above, compared to the prior period's actual IFRS results. The relevant average exchange rates (relative to the US dollar) used for the group's most significant functional currencies, were:

Currency (1FC = US\$)	Six months ended 30 September	
	2021	2020
South African rand	0.0692	0.0576
Euro	1.1891	1.1441
Chinese yuan renminbi	0.1552	0.1433
Brazilian real	0.1909	0.1839
Indian rupee	0.0136	0.0134
Polish zloty	0.2617	0.2563
Russian rouble	0.0136	0.0136
United Kingdom pound	1.3828	1.2775
Turkish lira	0.1173	0.1405
Hungarian forint	0.0034	0.0032

- Adjustments made for changes in the composition of the group relate to acquisitions, mergers and disposals of subsidiaries and equity-accounted investments, as well as to changes in the group's shareholding in its equity-accounted investments. For acquisitions, adjustments are made to remove the revenue and trading profit/(loss) of the acquired entity from the current reporting period and, in subsequent reporting periods, to ensure that the current reporting period and the comparative reporting period contain revenue and trading profit/(loss) information relating to the same number of months. For mergers, adjustments are made to include a portion of the prior period's revenue and trading profit/(loss) of the entity acquired as a result of a merger. For disposals, adjustments are made to remove the revenue and trading profit/(loss) of the disposed entity from the previous reporting period to the extent that there is no comparable revenue or trading profit/(loss) information in the current period and, in subsequent reporting periods, to ensure that the previous reporting period does not contain revenue and trading profit/(loss) information relating to the disposed business.

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The following significant changes in the composition of the group during the respective reporting periods have been adjusted for in arriving at the pro forma financial information:

For the 12 months 1 October 2020 to 30 September 2021

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Tencent	Associate	Social and Internet Platforms	Disposal
Dilution of the group's interest in VK (previously Mail.ru)	Associate	Social and Internet Platforms	Disposal
Acquisition of the group's interest in Encuentra	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Grupo ZAP	Joint venture	Ecommerce	Acquisition
Acquisition of the group's interest in P24	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Carsmile	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in KIWI Finance	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Obido	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in EMPG	Associate	Ecommerce	Acquisition
Disposal of the group's interest in letgo	Subsidiary	Ecommerce	Disposal
Acquisition of the group's interest in OfferUp	Associate	Ecommerce	Acquisition
Disposal of the group's interest in iFood Columbia	Subsidiary	Ecommerce	Disposal
Disposal of the group's interest in iFood Mexico	Subsidiary	Ecommerce	Disposals
Acquisition of the group's interest in Kolonial	Associate	Ecommerce	Acquisition
Increase in the group's interest in Delivery Hero	Associate	Ecommerce	Acquisition
Disposal of the group's interest in Luno	Associate	Ecommerce	Disposal
Dilution of the group's interest in Zest	Associate	Ecommerce	Disposal
Increase of the group's interest in Remitty	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Shipper	Associate	Ecommerce	Acquisition
Increase of the group's interest in BYJU'S	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Eruditus	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in GoodHabitz	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Stack Overflow	Subsidiary	Ecommerce	Acquisition
Disposal of the group's interest in Wavy	Subsidiary	Ecommerce	Disposal
Step up of the group's interest in Zoop	Subsidiary	Ecommerce	Disposal/ Acquisition
Acquisition of the group's interest in PharmEasy	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in DeHaat	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Klar	Associate	Ecommerce	Acquisition
Dilution of the group's interest in SimilarWeb	Associate	Ecommerce	Disposal

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the period ended 30 September 2021 amounted to a negative adjustment of US\$521m on revenue and a negative adjustment of US\$241m on trading profit.

Other information to the condensed consolidated interim financial statements continued

for the six months ended 30 September 2021

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Twelve months ended 30 September							
	2020	2021	2021	2021	2021	2021	2021	2021
	A	B	C	D	E	F ²	G ³	H ⁴
	IFRS ¹ US\$m	Group composition disposal adjustment US\$m	Group composition acquisition adjustment US\$m	Foreign currency adjustment US\$m	Local currency growth US\$m	IFRS ¹ US\$m	Local currency growth % change	IFRS % change
Revenue								
<i>Ecommerce</i>	2 608	(73)	240	40	1 356	4 171	53	60
Classifieds	628	(7)	66	(11)	625	1 301	>100	>100
Food Delivery	610	(2)	98	31	524	1 261	86	>100
Payments and Fintech	252	(5)	7	(4)	109	359	44	42
Etail	965	(1)	—	27	38	1 029	4	7
Edtech	51	6	33	1	29	120	51	>100
Other	102	(64)	36	(4)	31	101	82	(1)
<i>Social and Internet Platforms</i>	10 082	(688)	—	931	2 138	12 463	23	24
Tencent	9 912	(684)	—	931	2 091	12 250	23	24
VK (previously Mail.ru)	170	(4)	—	—	47	213	28	25
Corporate segment	—	—	—	—	—	—	—	—
Group economic interest	12 690	(761)	240	971	3 494	16 634	29	31

¹ Figures presented on an economic-interest basis as per the segmental review.

² A + B + C + D + E.

³ $[E/(A + B)] \times 100$.

⁴ $[(F/A) - 1] \times 100$.

A. Non-IFRS financial measures and alternative performance measures (continued)

A.2 Growth in local currency, excluding acquisitions and disposals (continued)

The adjustments to the amounts, reported in terms of IFRS, that have been made in arriving at the pro forma financial information are presented in the table below:

	Twelve months ended 30 September							
	2020	2021	2021	2021	2021	2021	2021	2021
	A	B	C	D	E	F ²	G ³	H ⁴
	IFRS ¹ Restated* US\$m	Group composition disposal adjustment US\$m	Group composition acquisition adjustment US\$m	Foreign currency adjustment US\$m	Local currency growth US\$m	IFRS ¹ US\$m	Local currency growth % change	IFRS % change
Trading profit								
<i>Ecommerce</i>	(214)	26	(62)	(11)	(111)	(372)	(59)	(74)
Classifieds	29	12	7	3	57	108	>100	>100
Food Delivery	(189)	15	(31)	(11)	(96)	(312)	(55)	(65)
Payments and Fintech	(31)	3	(1)	(2)	—	(31)	—	—
Etail	24	—	—	1	(36)	(11)	>(100)	>(100)
Edtech	(13)	1	(19)	(1)	(16)	(48)	>(100)	>(100)
Other	(34)	(5)	(18)	(1)	(20)	(78)	(51)	>(100)
<i>Social and Internet Platforms</i>	2 983	(205)	—	259	348	3 385	13	13
Tencent	2 968	(205)	—	259	351	3 373	13	14
VK (previously Mail.ru)	15	—	—	—	(3)	12	(20)	(20)
Corporate segment	(40)	—	—	—	(38)	(78)	(95)	(95)
Group economic interest	2 729	(179)	(62)	248	199	2 935	8	8

* During the 31 March 2021 financial year-end, the way that corporate costs were presented to the CODM was changed. Corporate costs, previously allocated and disclosed in the "Other Ecommerce" subsegment, are now included in the "Corporate segment". This provides more clarity on the total corporate costs incurred by the group. This change had no impact on the overall group trading (loss)/profit.

¹ Figures presented on an economic-interest basis as per the segmental review.

² $A + B + C + D + E$.

³ $[E/(A + B)] \times 100$.

⁴ $[(F/A) - 1] \times 100$.

Administration and corporate information

Prosus N.V.

Incorporated in the Netherlands
(Registration number: 34099856)
(Prosus or the group)
Euronext Amsterdam and JSE share code: PRX ISIN:
NL 0013654783

Directors

JP Bekker (chair), B van Dijk (chief executive),
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