

prosus

**Condensed
consolidated interim
financial statements**

*for the six months ended
30 September 2022*

**Improving everyday life
for billions of people
through technology**

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Our businesses continued to deliver strong growth while navigating a challenging and fast-changing environment. Growth expectations and valuations came under pressure as consumers adapted to new realities of higher inflation and interest rates, plus the effect of these on their daily lives and spending power. We are reducing our cost base sharply to meet these challenges and will take further action to deliver long-term value to our shareholders.

On an economic-interest basis, group revenue from continuing operations grew 1% (9%) to US\$16.5bn. This was driven by a healthy 35% (41%) increase in Ecommerce revenues. Trading profit declined to US\$1.4bn, reflecting a lower share of profits from Tencent and investment in new Ecommerce extensions (new initiatives), including autos, credit, quick commerce and grocery delivery. For similar reasons, core headline earnings decreased by US\$1.3bn. Percentages in brackets represent growth in local currency, excluding mergers and acquisitions (M&A).

Our Ecommerce businesses maintained strong topline momentum. Growth came from core businesses and expansion into adjacent opportunities. Consolidated revenue from continuing operations grew 18% (33%) to US\$3.2bn, with meaningful contributions from all main segments (Classifieds, Food Delivery, Payments and Fintech, and Edtech). Given a sharp rise in the cost of capital, M&A investment of US\$230m was considerably lower than in recent periods. We preserved capital and prioritised organic investment in high-potential units in our Ecommerce portfolio. Our businesses

are scaling and the focus is to accelerate their path to aggregate profitability. While addressing cost, we still invested in growth, and consolidated trading losses increased by US\$209m to US\$449m, driven by earlier-stage Ecommerce extensions.

We are cutting costs as we expect the operating environment to remain challenging for the foreseeable future. At the same time, however, we want to accelerate various paths to profitability. Direct incremental investment went into those areas where we identified the most opportunities to create future value, profitability and cash flow generation. New initiatives accounted for US\$483m of the consolidated trading loss, increasing by US\$190m in local currency, excluding M&A. As we invest, we are also driving efficiencies in our core consolidated businesses. We closed operations where we believe profitable growth cannot be sustained. This will improve operating leverage and improve profitability for the group in the medium term while creating a more efficient operating structure in the long term. We also continued cost-saving initiatives, reducing our corporate footprint. Prudent management of our balance sheet remains a priority, ensuring a robust liquidity position to navigate the rough environment and maintain our investment-grade rating. We hold net cash of US\$619m, which includes US\$15.8bn in cash and cash equivalents which will be further bolstered by the conclusion of the sale of Avito. The period under review represented the peak of investment. Moving into the second half of the year, we expect trading losses to reduce as we realise the benefits and cost reductions take hold.

Classifieds revenue grew strongly, despite the impacts of a tough global economy and Russia's invasion of Ukraine, which significantly affected OLX Europe. Investment to expand our direct-to-consumer business contributed to growth in OLX Autos, which has achieved scale in a short period, while the core Classifieds' margin improved.

Our Food Delivery performance remained robust, driven by growth in quick commerce which leverages the scale achieved in the restaurant delivery business. iFood grew in scale and improved its consolidated trading margins in both core food delivery and quick commerce. Given this strength, we committed €1.5bn, plus a contingent consideration of up to €300m to acquire the remaining 33.3% stake of iFood from Just Eat Takeaway. The transaction was approved by Just Eat Takeaway shareholders in November 2022.

In Payments and Fintech, the core payments business made progress in growing volumes while pursuing additional opportunities in credit. In India, progress was strong as margins improved in our core payments business and in credit, where we experienced growth and financial improvement. A once-off provision in Brazil, as well as pressure on take rates and gross margins, drove a lower margin in Global Payments Organisation (GPO).

In India, PayU eventually secured competition commission approval for the acquisition of BillDesk. However, certain conditions precedent were not fulfilled by the 30 September 2022 long-stop date, and the agreement terminated automatically. Accordingly, the proposed

transaction will not be implemented. Prosus remains committed to the Indian market and to growing its existing businesses in the region.

Edtech recorded strong revenue growth. Our enterprise platforms, Stack Overflow and GoodHabitz, invested in product enhancement and footprint expansion, which drove a higher trading loss. Such investments were necessary to scale the platforms and improve product offerings as these businesses are poised to benefit from corporations upskilling and reskilling their workforce in the fast-changing technology-driven world.

In June 2022, the group launched an open-ended multi-year share repurchase programme funded by a limited, pre-set trim of Tencent shares. We are taking advantage of the group's valuation discount to permanently enhance shareholders' per share exposure to the net asset value (NAV) of our investments in Tencent and the Ecommerce portfolio. By 30 September 2022, Prosus had repurchased 53 991 368 Prosus shares and 4 152 285 Naspers shares, with a total value of US\$4.1bn. This has already led to a 2% increase in the NAV exposure. We expect this to create value for shareholders as we execute the programme for as long as a discount to the value of the underlying portfolio of assets remains elevated.

As part of this programme, Naspers received approval from the South African Reserve Bank to continue funding its buyback with regular sales of Prosus shares. By 30 September 2022, Naspers had sold 3 610 774 Prosus shares and bought back 1 510 321 of its own shares to the value of US\$210m. Over time, we intend to

execute the programme in a manner that will keep the respective Prosus and Naspers free float shareholder groups' relative economic interest in the underlying assets aligned with their position at the start of the programme.

In May 2022, the group announced an intention to exit its Russian classifieds business, Avito. We have completed the disposal and received the proceeds of RUB151bn (US\$2.4bn) in October 2022. Avito is now treated as a discontinued operation in the financial results and thus excluded from continuing operations.

Given the wide geographical span of our operations and significant M&A activity in Ecommerce, reported earnings were materially impacted by foreign exchange movements and the effects of acquisitions and disposals. Where relevant in this report, we have adjusted for effects of foreign currency movements and impacts of acquisitions and disposals. These adjustments (alternative performance measures) are quoted in brackets after the equivalent metrics reported under International Financial Reporting Standards (IFRS). Growth rates represent a comparison between the period ended 30 September 2022 and the comparative period ended 30 September 2021, unless otherwise stated. Percentages in brackets represent growth in local currency, excluding M&A.

A reconciliation of the alternative performance measures to the equivalent IFRS metrics is provided in 'Other information – Non-IFRS financial measures and alternative performance measures' of these condensed consolidated interim financial statements.

Financial review

Group revenue, measured on an economic-interest basis, grew 1% (9%) to US\$16.5bn. Revenue, in nominal terms, was impacted by a broad devaluation of emerging-market and European currencies on translation to US dollars, representing a negative foreign currency translation impact of US\$1.2bn. Ecommerce continued a lively growth trajectory, with revenue growing 35% (41%) in a challenging environment. Our economic-interest share in Tencent's revenue declined by 8% (1%).

Group trading profit declined by 49% (37%) to US\$1.4bn, reflecting Tencent's 26% (21%) lower contribution to the group's trading profit and losses in our consolidated ecommerce business of US\$449m, plus our share of losses from ecommerce associates (US\$549m).

On a consolidated basis, total revenue increased by US\$487m, or 18% (33%), from US\$2.8bn in the prior period to US\$3.2bn. This was primarily due to strong revenue growth in OLX Autos and iFood. The operating loss increased by US\$213m to US\$531m, representing increased organic investments to scale Ecommerce extensions.

Our equity-accounted results decreased by US\$3bn, or 74%, from US\$4.1bn in the prior period to US\$1.1bn. The decrease is driven primarily by our share of fair-value losses on financial instruments of US\$371.5m compared to fair-value gains of US\$1bn in the prior period and additional impairment losses of US\$185.3m in Tencent. This was in addition to reduced profitability in Tencent of US\$876m and lower profitability from Delivery Hero of US\$530m due to a once-off gain in the prior year. These were offset by an increase in our share of gains on disposals (US\$747.2m) in Tencent. The sale of Tencent shares to fund the buyback delivered a US\$2.8bn gain in the current year. Our trim of our Tencent position resulted in a gain of US\$12.4bn during the prior period.

As a result of challenging macroeconomic conditions and the decline in growth expectations and valuations, the group recognised impairment losses on equity-accounted investments of US\$1.5bn. Impairments for our listed equity-accounted investments relate primarily to Delivery Hero (US\$1bn) and Skillsoft (US\$204m), given a decline in market capitalisation and the increase in discount rates and country risk premiums for these. Impairments for our unlisted equity-accounted investments relate primarily to OfferUp (US\$190m) due to the increase in market interest rates and a revised business outlook. We remain confident in long-term potential and strategic value-add despite the short-term macroeconomic challenges that drove the impairment.

Headline earnings decreased by US\$2.3bn to a loss of US\$6m. This was due to lower profitability across our associates, including fair-value losses of US\$371.5m in Tencent. This was partially offset by reduced share-based compensation expenses related to remeasurement of the group's cash-settled scheme and no grants to executive directors, as well as lower net finance costs due to a revaluation gain on our euro bonds.

Core headline earnings were US\$897m – a decrease of 60% or US\$1.3bn, primarily due to lower contributions from our associates (US\$1.1bn); US\$879m of this relates to Tencent.

Following the announcement in May 2022 of the group's intention to exit its Russian classifieds businesses (the Avito group), this disposal was classified as held for sale. In addition, the Avito group represents a separate major operation in a geographical area and is reflected as a discontinued operation.

We remain well positioned to navigate the difficult macro environment due to our liquid balance sheet. We hold net cash of US\$619m, comprising US\$15.8bn in cash and cash equivalents (including short-term cash investments), net of US\$15.2bn in interest-bearing debt (excluding capitalised lease liabilities). In addition, we have an undrawn US\$2.5bn revolving credit facility. During the period, we recorded a net interest expense of US\$138m.

The group's free cash outflow (excluding Avito) was US\$132m, a year-on-year decrease of US\$129m. This was due to reduced profitability (-US\$126m) in our Ecommerce portfolio as we continue to invest in extensions across the portfolio. In addition, working capital requirements have risen due to increased investment in credit businesses. Tencent remains a meaningful contributor to our cash flow via a stable dividend of US\$565m.

There were no new or amended accounting pronouncements effective 1 April 2022 with a significant impact on the group's condensed consolidated interim financial statements.

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

Segmental review **Ecommerce**

Ecommerce revenue grew 35% (41%) to US\$5.2bn in the period, led by growth across all four core segments. Contributions came both from our core consolidated businesses and extensions into adjacent opportunities. Aggregated trading losses in the Ecommerce portfolio rose to US\$998m from US\$522m in the comparative period.

On a consolidated basis, Ecommerce revenue grew 18% (33%) to US\$3.2bn. The trading loss widened by US\$209m to US\$449m as we expand into adjacent growth opportunities that we believe will contribute to long-term value. These enhancements include autos transactions in Classifieds, a broader on-demand grocery delivery ecosystem in iFood, credit in Payments and Fintech, and the expansion of our Edtech segment. Profitability was maintained in our core Classifieds business and iFood's restaurant-delivery business in Brazil. Payments and Fintech's core payment service provider (PSP) business includes a once-off merchant loss provision of US\$18m related to the Brazil business. Further cost-optimisation initiatives in the Ecommerce portfolio are the focus as we drive towards profitability.

As benefits of our investment initiatives and cost reductions take hold as the year progresses, we expect that the first six months of FY23 will represent the high-water mark for trading profit losses and these should now improve materially.

Classifieds¹

Classifieds continued its performance in the first half of the financial year. On an economic-interest basis, revenue grew 36% (60%) to US\$1.3bn with a trading loss of US\$159m, reflecting significant investment to scale OLX Autos. Core Classifieds, excluding Ukraine, remained profitable in the period.

The consolidated business delivered revenue of US\$1.2bn for the period, a growth of 37% (64%). The trading loss was US\$154m (H1 FY22: US\$40m).

Overall, OLX Group has increased initiatives to improve productivity and efficiency while cutting costs. This approach is balanced with investments needed to fund growth, notably in OLX Autos. These measures will help build a sustainable long-term business with short-term margin improvements in core Classifieds.

Classifieds' resilient business model held firm in an environment of rising global inflation and interest rates. Operational metrics across our core Classifieds remained stable, with 89 million active listings, 80 million monthly active app users and 2.1 million paying listers. The business gained traction in the autos and real estate categories from professional sellers. Given the counter-cyclical nature of the goods category, improved performance was driven by high consumer demand, supported by 'pay-and-ship'. This neutralised a slowdown in advertising revenue due to smaller marketing budgets across most industries.

Core Classifieds revenue was impacted by currency translation. While it decreased in nominal terms, the business grew consolidated revenue 13% to US\$232m in local currency, excluding M&A. A trading profit margin of 22% was reported versus 19% in the prior period. The business in Ukraine was severely impacted by the war, with a substantial drop in revenue. However, OLX Ukraine continued to operate to serve the local community and support our employees. Excluding Ukraine, core Classifieds revenue grew at 20% in local currency, excluding M&A, yielding a healthy trading profit of US\$59m, a 9% margin improvement to 27%.

¹ Classifieds' intra-segment corporate cost-allocation methodology was updated in this period. The prior period has been restated in line with the updated methodology.

OLX Europe generated 12 million successful transactions in the first half of the year, up 65% year on year. This translated to revenues of US\$210m, up 14% in local currency, excluding M&A. The business recorded progress in its pay-and-ship services across Poland, Ukraine and Romania. For example, Poland increased monetisation initiatives in pay-and-ship services through increased freight charges and higher take-rate commissions, and still had an average of 2 million monthly deliveries, similar to H2 FY22 when limited monetisation was in place. This boosted our horizontal platforms in Europe, offsetting a decline in advertising revenue amid a softer economic environment. Autos and real estate verticals delivered revenue growth of 19% and 29% respectively, benefiting from longer listing durations and higher average revenue per user due to slowing consumer demand in these categories.

OLX Ukraine saw a steep rebound in both demand (monthly active app users are 90% of pre-conflict levels) and supply (active listings are 70% of pre-conflict levels). Despite the recovery in platform traffic, monetisation remains low as we continue to support customers through discounted pricing. The business recorded revenues of US\$15m and a trading loss of US\$7m, compared with revenue of US\$30m and a trading profit of US\$9m in the corresponding prior period.

OLX Brazil, a 50% joint venture with Adevinta, contributed revenue of US\$43m (BRL221m) on an economic-interest basis, representing growth of 16% (14%), while it navigated rising interest

rates which triggered a slight slowdown in demand for real estate and impacted advertising revenue. This was offset by growth in autos transactional revenue. Trading profit margin reduced to 12% from 22% as the business invested to enhance tech talent and its brand.

OLX Autos reported revenue of US\$1bn, representing 60% (84%) growth as demand and prices for used cars remain high amid supply shortages for new cars across various markets. Trading losses increased to US\$206m, driven by strategic investment to build a retail infrastructure (business-to-consumer or B2C), scale consumer financing, position the brand in key markets and build a scalable technology-enabled platform.

OLX Autos supported 18 900 average monthly transactions which translated to around 114 000 cars sold, up 60%. Volumes increased across key markets, notably India, Indonesia, Mexico, Turkey and the US. The average selling price reduced to around US\$8 700 per car as prices normalised after the elevated prices achieved during Covid-19. Gross profit per unit declined 36% to US\$638, driven by volume growth in India and Indonesia, where industry margins are single digits compared with double digits in the US. The business disbursed 6 500 loans during the period (H1 FY22: 4 500) across Chile, Mexico and Colombia and had an outstanding loan book of US\$115m at the end of the period. The uncertain economic environment meant tighter credit assessments were conducted.

Food Delivery

The Food Delivery segment's growth was robust. Focus was on improved profitability in the core restaurant food delivery businesses as well as controlled investment in growth extensions such as quick commerce and grocery initiatives.

On an economic-interest basis, total gross merchandise value (GMV) grew 14% (26%) while revenue increased 52% (52%) to US\$1.9bn. The investment in ecosystem-enhancing adjacencies contributed to a US\$69m increase in trading losses to US\$381m.

iFood represents our consolidated food delivery business, and we have several associates, most notably Delivery Hero and Swiggy.

iFood

Overall, iFood continues to scale and grow, and is on a path to profitable growth. iFood is optimising its businesses by managing costs of the core restaurant business as well as expansion initiatives.

iFood delivered an outstanding performance with revenues growing 43% (39%) to BRL3.4bn (US\$663m), driven mostly by an increase in monthly unique buyers, larger order sizes in the core food delivery business and the growth of the quick commerce delivery business. In Brazil, orders increased 14% (10%) to more than 400 million and GMV grew 29% (22%) to BRL23bn (US\$4.5bn). iFood reported an improved trading loss of US\$59m (H1 FY22: US\$100m) as strong profit growth in the core restaurant food delivery business was offset by investment in the quick commerce delivery business and fintech initiatives. Overall, iFood's trading loss margin improved by 13 percentage points in the period.

In the core restaurant food delivery business in Brazil, iFood delivered trading profit of US\$45m and a trading margin of 7%, an improvement of 8 percentage points from the prior period. This reflects reduced marketing investment, larger average basket sizes and the benefits of the introduction of new revenue streams. Orders grew 7% (2%), while GMV and revenue were up 21% (13%) and 32% (29%) respectively.

iFood operates a hybrid model of grocery marketplace and quick commerce delivery. The marketplace offering operates through partnerships with grocery retailers while we are also investing in the dark-store model. iFood's new initiatives grew orders 152% and GMV 106% (102%) to more than 46 million and BRL3.7bn (US\$715m) respectively. Revenues grew by US\$51m or 850% (833%) to account for 9% of total iFood revenues. In quick commerce, iFood increased coverage to 55 cities and delivered around 1.9 million orders during the period through dark-store express deliveries while the meal-voucher business increased its user base 10 times compared with the prior period. iFood will cease operations in Colombia at the end of November 2022.

Delivery Hero

The group's share of Delivery Hero's revenues and trading losses was US\$1bn and US\$152m respectively for the period.

Delivery Hero is focused on profitability while delivering considerable growth in the period, driven by the core platform business and integrated verticals. For the six months ended 30 June 2022, Delivery Hero reported GMV growth of 50% to total GMV of €20bn and an improved adjusted EBITDA margin (as percentage of GMV) of -1.6% (prior period: -2.6%).

In July 2022, Delivery Hero completed the acquisition of 94.5% of Glovoapp23 S.A. (Glovo), a multi-category delivery app operating in 25 countries across Europe, Central Asia and Africa. The business also successfully refinanced its debt financing.

More information on Delivery Hero is available at <https://ir.deliveryhero.com>.

Swiggy

Swiggy's core restaurant food delivery business delivered order growth and GMV¹ growth of 38% and 40% respectively for the first six months of the year. Total quick commerce² and GMV grew 20 times and 15 times respectively during the first six months of the year³. Restaurant food delivery GMV was US\$1.3bn, while quick commerce GMV was US\$257m for the first six months of the year. Our share of Swiggy's revenue grew faster at 72% (118%) to US\$150m, reflecting higher average order values and increased revenue from delivery fees and advertising sales.

Our share of Swiggy's trading loss increased to US\$105m (H1 FY22: US\$34m), driven by investment in both the core restaurant food delivery business to increase growth and in Instamart to expand its footprint.

In May 2022, Swiggy announced the acquisition of Dineout, a leading dining-out and restaurant tech solutions platform in India. Swiggy remains well funded to drive its business objectives.

Payments and Fintech

Our Payments and Fintech segment reported economic-interest revenue growth of 34% (55%) to US\$480m on a trading loss of US\$97m.

The consolidated PayU businesses grew revenue 33% (57%) to US\$412m, driven by growth in payments in India and Turkey, and a scaling credit business in India. Trading losses expanded to US\$80m (H1 FY22: US\$27m) as we invested in credit and new payment products. Trading losses were impacted by a once-off loss provision of US\$18m related to a merchant in our core PSP business in Brazil.

Total number of transactions grew by 17% year on year, increasing total payments value (TPV) by 32% (49%) due to larger transaction sizes processed.

The core PSP segment generated US\$363m in revenues, an increase of 23% (47%). Excluding the once-off provision, the business reported a trading loss of US\$7m compared with a trading profit of US\$9m in the prior period, reflecting pressure on gross margin and investment in building new products. The business is diversifying revenue streams and improving the mix via new initiatives and cutting costs.

India, our largest payments market, reported TPV growth of 48% (59%) to US\$28bn and now contributes 61% of total TPV, up from 54% in the prior period. Revenue grew 38% (48%) to US\$183m. Such growth was driven by increased digitisation in retail through ecommerce, financial services and bill payments. The travel and hospitality segment also recovered to pre-pandemic levels, with its TPV close to doubling. During the period, we continued to scale our existing segments, including enterprise as well as small and medium businesses. We also expanded our focus to newer segments such as government, risk-based authentication services, omnichannel, data science and non-MDR (merchant discount rate) products.

¹ GMV includes delivery fees.

² Quick commerce includes Swiggy's Instamart business.

³ Year in Swiggy's section refers to January 2022 to December 2022. Accordingly, the first six months pertain to January 2022 to June 2022.

These initiatives are diversifying the revenue base and improving service to merchants, creating a more entrenched offering and valuable business.

Our GPO business grew TPV 12% (38%) to US\$18bn and revenue by 11% (45%) to US\$181m. Trading losses were impacted by higher merchant-acquisition costs and investment in new products. Turkey, a key market, contributed 19% of GPO's total revenue and grew by 131% during the period in local currency, excluding M&A.

We continued to scale our credit business, which reported revenue growth of more than five times and accounted for 10% of consolidated Payments and Fintech revenues, up from 3% in the prior period. Continued investment in the business resulted in trading losses of US\$26m, representing a trading profit margin improvement of 125 percentage points to -63%.

Loan issuances grew 288% to US\$678m on the back of demand for our transactional credit and personal loan products. Personal loan origination grew by more than seven times in the period, compared to a relatively small base last year, as we launched new products to drive growth. We have expanded our preapproved base to 66 million users and 53 000 merchants, while the delinquency rate remains low at 3%. At 30 September 2022, the loan book totalled US\$279m.

Within Payments and Fintech's investment portfolio, Remity reported a send volume of US\$13bn in the six months ended 30 September 2022, a growth of 41%. Our share of Remity's revenue grew 37% (46%) to US\$67m, with trading losses at US\$14m for the period.

More information on Remity is available at <https://ir.remity.com/>.

Edtech

On an economic-interest basis, the Edtech segment revenues grew by 178% (38%) to US\$334m and trading losses increased to US\$178m. The economic-interest results include various once-off adjustments related to our associates BYJU'S, Udemy and Skillssoft. Excluding these once-off adjustments, revenue was US\$290m and trading losses US\$116m.

Our consolidated businesses, Stack Overflow and GoodHabitz, reported solid progress. Stack Overflow, a leading knowledge-sharing platform, now serves around 100 million people worldwide every month. The community site continues to add an average 200 000 new registrations every month. Stack Overflow grew total bookings by 53% in the period. The business grew revenue in local currency, excluding M&A, by 33% to US\$45m, driven by growth in Stack Overflow for Teams, which enables organisations to build their own internal communities on top of the open platform. Stack Overflow for Teams contributed 49% of total revenues. By September 2022, Stack Overflow had 1 262 paying teams generating annual recurring revenue of US\$50m, a growth of 66% over the prior period. Increased investment in engineering and product-development initiatives, sales headcount and marketing programme expenses, mainly in Stack Overflow for Teams, contributed to the trading loss of US\$42m, a margin expansion of 18 percentage points to 93%.

GoodHabitz, an online interpersonal training platform for corporates and SMEs, now offers nearly 1 500 courses in 12 languages. This contributed to growth of 31% to 2 447 enterprise customers. GoodHabitz continued to grow its home market of the Netherlands and invested to expand its position in 12 other countries across Europe, Latin America, India and Australia. Revenue grew 27% in local currency,

excluding M&A, to US\$18m while geographic expansion drove trading losses higher to US\$11m. The business is now focusing on revenue growth and operational scalability to become profitable.

Our Edtech investment portfolio comprises 11 investments covering the full span of the sector, from kindergarten through to grade 12 (K-12), to higher education and workplace learning.

Skillsoft is a leading platform for corporate learning experiences. Our share of Skillsoft's revenue was US\$118m, with a trading profit of US\$10m. For the six months ended 31 July 2022, Skillsoft's bookings declined 6% (3%) to US\$231m, driven by a 21% (17%) decline in the Global Knowledge segment to US\$102m, and partly offset by growth of 10% (12%) in the Content segment's bookings to US\$128m. In August 2022, Skillsoft sold its SumTotal segment for a consideration of US\$200m.

More information on Skillsoft is available at <https://investor.skillsoft.com>.

We have stopped equity accounting for BYJU'S and Udemy from September 2022.

Etail

eMAG

eMAG, our leading business-to-consumer ecommerce platform in Central and Eastern Europe, faced a challenging environment due to the war in Ukraine and rising inflation and energy prices. In spite of this, we managed to deliver flat GMV year on year in local currency, excluding our Hungary business which completed its restructuring process during the period. Overall, GMV decreased 16% (-3%),

however, the third-party (3P) ecommerce business grew GMV 15% year on year on the back of merchant acquisition, expanded offerings from existing merchants and deeper integration of 3P merchants into the Genius loyalty programme.

eMAG's revenue declined 17% (-4%) to US\$852m, while its trading loss was US\$33m compared with US\$7m in the prior period. The main driver of the loss was continued investments in Tazz, Freshful and Sameday, and once-off costs associated with the Hungary operational merger.

The core eMAG business generated revenue of US\$782m, down 20% (-7%). The core business reported a trading loss of US\$12m, compared with a US\$13m trading profit in the same period last year.

Tazz by eMAG, its food delivery service, grew GMV 59% and improved its unit economics and profitability, benefiting from eMAG brand and customer-acquisition investments. Freshful, eMAG's online grocery business, continued to scale and attract customers, reaching around 54 000 unique customers by the end of September 2022 in the Bucharest metropolitan area.

eMAG's loyalty programme, Genius, enhanced its customer value proposition by integrating Fashion Days, Tazz and Freshful benefits into the offering. This end-to-end, effortless shopping experience is unmatched in the region and designed to boost Genius adoption, engagement and retention. eMAG had 395 000 Genius subscribers by the end of September 2022, with 60 000 added in the period.

eMAG has made strategic investments in productivity and efficiency in the core business over recent years. Genius integration continues to build a strong base of loyal customers, while Marketplace has recorded spectacular growth due to increasing product selection and growing the 'Easybox' delivery feature availability, both creating a better value proposition for clients. eMAG is scaling its new initiatives and focusing on better stock and warehouse management as well as marketing cost savings. These investments strengthened its overall position, which will lead to benefits as the implementation and monetisation play out over the next year, bringing a return of top- and bottomline growth.

Tencent

Tencent navigated through macro and sectoral challenges by enhancing efficiency, launching new revenue initiatives and investing in strategic growth areas.

For the six months ended 30 June 2022, it reported revenues of RMB269.5bn, down 1% from last year. Non-IFRS profit attributable to shareholders (Tencent's measure of normalised performance) reduced from RMB67.2bn to RMB53.7bn.

Revenues from value-added services were flat at RMB144.4bn. This was driven by the domestic and international games markets, which experienced industry challenges and post-pandemic normalisation respectively, and the growth in Video Accounts live-streaming services, offset by the decline in music and games-related live-streaming services. Revenues from fintech and business services were RMB85bn, up 5%, despite commercial payment activities being temporarily inhibited by the pandemic and as the company scaled back loss-making business service activities. Revenues

from the online advertising business decreased 18% to RMB36.6bn, impacted by macro challenges.

The combined monthly active users of Weixin and WeChat grew by 4% to 1.3 billion. Mini Programs' daily active users exceeded 500 million in the first quarter, with increasing penetration in retail, restaurant and municipal services. Video Accounts deepened user engagement, with total video views up more than 200% year on year and daily video uploads up more than 100% year on year in the second quarter. Video Accounts introduced new in-feed and bidding ads in the third quarter to enhance monetisation progressively.

Led by its mission of Tech For Good, Tencent is committed to building a sustainable future for its consumers, enterprises and society at large. The company also announced plans to achieve carbon-neutrality in its own operations and supply chain by 2030.

On 16 November 2022, Tencent announced a special dividend in the form of a distribution in specie of approximately 958 000 000 Meituan shares to its shareholders. Upon receipt of our share of the Meituan shares, we will consider these as held for sale.

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

Prospects

We adapted our strategy to the uncertain macroeconomic environment to drive continued development of valuable, global consumer internet businesses. The fundamentals of our businesses remain sound. We continue to have conviction in our platforms and are excited about the opportunities before us.

We are long-term investors and have invested through various economic downturns in volatile internet markets. We intend to remain disciplined in our capital allocation, as investments now face a higher bar. We will continue to drive profitability, build scale and take action to manage expenses and free cash flow, even while we invest for growth. In the current environment, we maintain our preference for organic investment – focused on autos transactions, credit, and food and grocery delivery. Also, to build capabilities, expand ecosystems and improve competitiveness to accelerate growth and deliver returns across our portfolio. This will expand the profit potential of our ecosystems over the medium term.

A healthy liquidity profile is helpful in uncertain times. Our ambition remains to manage the balance sheet within our investment-grade rating. Finally, we remain committed to taking structural actions to unlock value for our shareholders over time, including continuing our open-ended buyback as long as the discount remains elevated, which structurally improves returns on investment.

Risks

At heart, we are entrepreneurs. No business can thrive and aim for greater things without accepting some risks. We seek to create sustainable value by investing in or operating leading companies that empower people and enrich communities using technology. In pursuing opportunities, setting our strategy, and working towards our goals, we acknowledge that success depends on how well we understand and manage associated risks so that we can accept them responsibly.

The past half year has been characterised by a toughening global business environment. Energy shortages have pushed prices to record levels with rapidly rising inflation and interest rates. Other resource shortages amplify these effects.

We need to navigate the additional risks within this hardening environment carefully. As a group, we allocate capital to grow existing businesses and acquire interests in those with potential for future growth, which involves a constant evaluation of opportunities and risks. While growth opportunities remain, we temper M&A and investment. We are cutting costs to drive profitability and reduce risk.

Sustainability has become a leading theme. As a digital technology group, our businesses are software-driven, asset-light and low-carbon. Applying our principle of ‘solving for local needs’, our portfolio companies identify and manage risks while pursuing opportunities in the context of local operating environments. We pursue opportunities for the group to differentiate in local markets with a clear position on climate change. The health, safety and wellbeing of our people and others who support our businesses (eg independent deliverers) are primary concerns. The commitments we undertake come with known and new, emerging risks, which we evaluate and manage. 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.

Some of our historical investments comprise significant stakes in businesses and listed entities that 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. With rising inflation and financial markets in turbulence, maintaining access to capital has become harder. Specific other key risks we identify – and actively manage in our businesses – include the use of technology and information systems. We aim to deliver our services within set parameters for responsible data use, data security, service continuity and compliance with applicable laws and regulations. Staying ahead technology-wise and developing compelling, safe solutions for our customers is a business imperative. We need to navigate rapid technological change, evolving consumer preferences, rampant cybercrime, and scarcity of engineering talent.

Our board oversees risks and opportunities and sets the boundaries within which those risks must be managed. Our businesses are required to keep our board updated through regular reports. Specific risks and uncertainties, and mitigating measures, were also outlined in the FY22 integrated annual report in the section ‘Managing risks and opportunities’. This report is available on our website.

Sustainability

As a global consumer internet group and a leading long-term technology investor, we recognise the power of technology to create solutions for some of the world’s most pressing needs. We see technology as the cornerstone of a successful transition to a green economy that is inclusive and leaves no one behind.

Across the globe, we are identifying scalable technologies, partnerships and strategies to reduce our environmental impact and improve performance that is fundamental to ensuring our own low-carbon growth.

We signed The Climate Pledge, a commitment to reach net-zero carbon emissions by 2040 – 10 years ahead of the goal set in the United Nations’ Paris Climate Agreement.

We joined the Partnership for Carbon Accounting Financials (PCAF), a global collaboration between investors and financial institutions to standardise frameworks for climate accounting and target setting. The partnership further strengthens our commitment to contribute to a decarbonised world.

We continue to invest in early-stage, sustainability-themed opportunities via Naspers Foundry and Prosus Ventures. Naspers Foundry invested in Nile, an agtech company that connects farmers to buyers of fresh produce in South Africa. Prosus Ventures invested in VeGrow, an India-based agtech company that aligns demand and supply for fruits, aggregating multiple channels in 100 cities on the demand side and more than 20 000 farmers on the supply side.

Earlier this year, Prosus committed US\$10m to support humanitarian aid efforts in Ukraine. Since then, we have deployed more than US\$8m of the US\$10m towards humanitarian relief efforts.

We published our approach to artificial intelligence (AI) ethics, communicating the guiding principles that inform the work of the AI and data-science teams across our portfolio: a force for good, technical excellence, accountability and transparency, fairness, privacy and security.

Now in its third year, we launched the Social Impact Challenge for Accessibility (SICA) 2022 – an accelerator for India-based start-ups focused on advancing assistive technologies. Prosus runs SICA in partnership with Startup India, Invest India and Social Alpha. To date, Prosus has committed INR16.5m to the initiative and has supported 10 start-ups, all with access to their global mentorship programme, with six receiving direct grants. For SICA 2022, the top five start-ups will also have access to a pool of mentors and financing opportunities through SICA partners, including Invest India and Social Alpha, as well as the World Health Organization, which supports the programme with technical assistance.

Directorate

Effective 1 October 2022, Ms Sharmistha Dubey, independent non-executive director, was appointed as a member of the audit committee, enhancing the composition of this committee.

Independent auditor's review of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements for the six months ended 30 September 2022 have been reviewed by PricewaterhouseCoopers Accountants N.V., our independent auditor whose unmodified 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 2022, and the undertakings included in the consolidation taken as a whole, in accordance with IAS 34 *Interim Financial Reporting*.

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 2022, and of the result of our consolidated operations for the six months ended 30 September 2022.
2. The condensed consolidated interim financial statements for the six months ended 30 September 2022 include 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

22 November 2022

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 September		Year ended 31 March
	Notes	2022 US\$'m	2021 US\$'m	2022 US\$'m
Continuing operations				
Revenue from contracts with customers	7	3 240	2 753	6 237
Cost of providing services and sale of goods		(2 414)	(2 047)	(4 735)
Selling, general and administration expenses		(1 104)	(1 187)	(2 394)
Other (losses)/gains – net	9	(9)	56	(169)
Operating loss		(287)	(425)	(1 061)
Interest income	8	140	27	53
Interest expense	8	(278)	(179)	(399)
Other finance income/(costs) – net	8	294	(172)	(77)
Dividend income		62	–	–
Share of equity-accounted results ¹		1 059	4 074	9 257
Impairment of equity-accounted investments	11	(1 458)	(1)	(581)
Dilution (losses)/gains on equity-accounted investments	11	(95)	120	95
Gains on partial disposal of equity-accounted investments	11	2 771	12 339	12 339
Net gains/(losses) on acquisitions and disposals	9	136	(18)	(1 130)
Profit before taxation		2 344	15 765	18 496
Taxation		(16)	(39)	(55)
Profit from continuing operations		2 328	15 726	18 441
Profit from discontinued operations	5	188	93	153
Profit for the period		2 516	15 819	18 594
Attributable to:				
Equity holders of the group		2 535	15 891	18 733
Non-controlling interests		(19)	(72)	(139)
		2 516	15 819	18 594
Per share information for the period from total operations (US cents)²				
Earnings per ordinary share N ⁵		181	1 007	1 243
Diluted earnings per ordinary share N ⁵		179	1 002	1 232
Headline earnings per ordinary share N ⁵		14	149	204
Diluted headline earnings per ordinary share N ⁵		11	144	193
Per share information for the period from continuing operations (US cents)²				
Earnings per ordinary share N ⁵	6	167	1 001	1 233
Diluted earnings per ordinary share N ⁵		165	996	1 222
Headline earnings per ordinary share N ⁵		–	143	194
Diluted headline earnings per ordinary share N ⁵		(3)	138	183

¹ Includes equity-accounted results from associates (refer to note 11).

² Earnings per share information is significantly impacted by a lower share in equity-accounted results and a lower gain on partial disposal of equity-accounted investments (refer to note 11).

³ Earnings per share is based on the weighted average number of shares taking into account the cross-holding agreement from the share exchange (refer to note 6).

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 September		Year ended 31 March
	Note	2022 US\$'m	2021 US\$'m	2022 US\$'m
Profit for the period		2 516	15 819	18 594
Total other comprehensive (loss)/income, net of tax, for the period:		(6 349)	852	(3 111)
Items that may be subsequently reclassified to profit or loss				
Translation of foreign operations ^{1,2}		(3 538)	483	1 591
Share of equity-accounted investments' movement in other comprehensive income ³		301	(264)	(813)
Recognition of cash flow hedge		—	(119)	(99)
Derecognition of cash flow hedge		—	119	119
Items that may not be subsequently reclassified to profit or loss				
Fair-value losses on financial assets through other comprehensive income		(324)	(974)	(1 210)
Share of equity-accounted investments' movement in other comprehensive income and net asset value ⁴	11	(2 788)	1 607	(2 699)
Total comprehensive (loss)/income for the period		(3 833)	16 671	15 483
Attributable to:				
Equity holders of the group		(3 805)	16 734	15 566
Non-controlling interests		(28)	(63)	(83)
		(3 833)	16 671	15 483

¹ 31 March 2022 includes the reclassification to the income statement of US\$1.14bn relating to the loss of significant influence of VK.

² The significant movement relates to the translation effects from equity-accounted investments (refer to note 11). The current period also includes a net monetary gain of US\$66.7m relating to hyperinflation accounting for the group's subsidiaries in Turkey (refer to note 2).

³ This relates to movements in equity-accounted investments' foreign currency translation reserve.

⁴ This relates to (losses)/gains from the change 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

		As at		As at
		30 September		31 March
		2022	2021	2022
	Notes	US\$'m	US\$'m	US\$'m
Assets				
Non-current assets				
		42 039	55 879	56 073
Property, plant and equipment		541	488	604
Goodwill	10	2 336	3 830	3 372
Other intangible assets		429	1 025	928
Investments in associates	11	35 176	47 916	44 457
Investments in joint ventures		107	153	144
Other investments and loans ¹	12	3 286	2 367	6 410
Other receivables		146	75	132
Deferred taxation		18	25	26
Current assets		20 125	14 957	15 265
Inventory		390	385	470
Trade receivables		479	174	276
Other receivables and loans		738	717	884
Derivative financial instruments		1	1	27
Current portion of other investments	12	—	27	—
Short-term investments		7 391	7 464	3 924
Cash and cash equivalents		8 483	6 189	9 646
		17 482	14 957	15 227
Assets classified as held for sale	14	2 643	—	38
Total assets		62 164	70 836	71 338
Equity and liabilities				
Capital and reserves attributable to the group's equity holders				
		40 927	54 648	50 421
Share capital and premium		39 170	39 192	39 190
Treasury shares		(3 491)	(3 092)	(6 411)
Other reserves		(48 474)	(35 665)	(40 557)
Retained earnings		53 722	54 213	58 199
Non-controlling interests		144	20	102
Total equity		41 071	54 668	50 523
Non-current liabilities				
		15 500	11 380	16 402
Capitalised lease liabilities		147	163	200
Liabilities - interest bearing ²		14 999	10 501	15 611
- non-interest bearing		20	64	50
Other non-current liabilities ¹		146	223	170
Cash-settled share-based payment liabilities	15	75	198	163
Deferred taxation		113	231	208
Current liabilities		5 593	4 788	4 413
Current portion of long-term debt		277	116	188
Trade payables		332	391	549
Accrued expenses		1 573	1 696	1 680
Other current liabilities	3	2 207	1 123	1 014
Cash-settled share-based payment liabilities	15	648	1 191	964
Dividend payable		—	238	—
Bank overdrafts		31	33	18
		5 068	4 788	4 413
Liabilities classified as held for sale	14	525	—	—
Total equity and liabilities		62 164	70 836	71 338

¹ Non-current derivative assets have been aggregated with other investments and loans, and non-current derivative liabilities with other non-current liabilities as a result of them being immaterial.

² The significant movement in interest-bearing liabilities relates to the foreign currency translation gain on the group's euro-denominated bonds.

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 2021	612	(1 415)	(1 123)
Total comprehensive income for the period	–	–	211
Profit for the period	–	–	–
Total other comprehensive income for the period	–	–	211
Movement due to share exchange ¹	38 517	–	–
Prosus B ordinary shares issued ¹	66	–	–
Repurchase of own shares	–	(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	–	–	–
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 ²	–	–	–
Transactions with non-controlling shareholders ³	–	–	–
Balance at 30 September 2021	39 192	(3 092)	(866)

¹ Relates to the group's share exchange transaction in August 2021.

² Dividends paid consist of US\$81.6m (2021: US\$97.2m) attributable to Naspers and US\$108.5m (2021: US\$141.2m) attributable to Prosus free float shareholders.

³ The current year relates mainly to the liability recognised for the non-controlling shareholders of iFood (2021: relates to the group's various disposals and other transactions with non-controlling interest resulted in the derecognition of non-controlling interest of US\$34.4m) (refer to note 3).

⁴ Refer to note 3 for details of the Prosus/Naspers share repurchase programme.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

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
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	—	—	—
(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)
—	(247)	—	87	(160)	(34)	(194)
6 274	(43 639)	2 566	54 213	54 648	20	54 668

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Share capital and premium ordinary shares US\$m	Treasury shares US\$m	Foreign currency translation reserve US\$m
Balance at 1 April 2022	39 190	(6 411)	(358)
Total comprehensive income for the period	—	—	(3 225)
Profit for the period	—	—	—
Total other comprehensive (loss)/income for the period	—	—	(3 225)
Cancellation of treasury shares	(4)	6 411	—
Repurchase of own shares ⁴	—	(3 491)	—
Acquisition of Naspers shares resulting in a capital restructure ⁴	—	—	—
Share-based compensation movements	—	—	—
Share-based compensation expense	—	—	—
Contributions made to Naspers share trusts	—	—	—
Modification of share-based compensation benefits	—	—	—
Other share-based compensation movements	—	—	—
Direct equity movements	(16)	—	—
Direct movements from associates	—	—	—
Realisation of reserves as a result of partial disposal of associates	—	—	—
Realisation of reserves as a result of disposals	—	—	—
Other direct movements	(16)	—	—
Remeasurement of written put option liabilities	—	—	—
Cancellation of written put option liabilities	—	—	—
Other movements	—	—	—
Dividends paid ²	—	—	—
Transactions with non-controlling shareholders ³	—	—	(6)
Balance at 30 September 2022	39 170	(3 491)	(3 589)

¹ Relates to the group's share exchange transaction in August 2021.

² Dividends paid consist of US\$82.9m (2021: US\$97.2m) attributable to Naspers and US\$107.1m (2021: US\$141.2m) attributable to Prosus free float shareholders.

³ The current year relates mainly to the liability recognised for the non-controlling shareholders of iFood (2021: relates to the group's various disposals and other transactions with non-controlling interest resulted in the derecognition of non-controlling interest of US\$34.4m) (refer to note 3).

⁴ Refer to note 3 for details of the Prosus/Naspers share repurchase programme.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

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
65	(43 487)	3 223	58 199	50 421	102	50 523
(3 710)	—	595	2 535	(3 805)	(28)	(3 833)
—	—	—	2 535	2 535	(19)	2 516
(3 710)	—	595	—	(6 340)	(9)	(6 349)
—	—	—	(6 407)	—	—	—
—	—	—	—	(3 491)	—	(3 491)
—	(616)	—	—	(616)	—	(616)
—	—	(115)	(8)	(123)	—	(123)
—	—	59	—	59	—	59
—	—	(127)	—	(127)	—	(127)
—	—	(13)	9	(4)	—	(4)
—	—	(34)	(17)	(51)	—	(51)
549	—	(119)	(414)	—	—	—
344	—	—	(344)	—	—	—
18	—	(119)	101	—	—	—
187	—	—	(187)	—	—	—
—	—	—	16	—	—	—
—	301	—	—	301	—	301
—	14	—	—	14	—	14
—	—	—	7	7	—	7
—	—	—	(190)	(190)	—	(190)
—	(1 585)	—	—	(1 591)	70	(1 521)
(3 096)	(45 373)	3 584	53 722	40 927	144	41 071

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Six months ended 30 September		Year ended 31 March
	Notes	2022 US\$m	2021 US\$m	2022 US\$m
Cash flows from operating activities				
Cash utilised in operating activities		(266)	(228)	(644)
Interest income received		82	23	38
Dividends received from equity-accounted investments		572	571	571
Interest costs paid		(296)	(245)	(381)
Taxation paid		(50)	(107)	(189)
Net cash generated from/(utilised in) operating activities		42	14	(605)
Cash flows from investing activities				
Acquisitions and disposals of tangible and intangible assets		(140)	(86)	(234)
Acquisitions of subsidiaries, associates and joint ventures	16	(81)	(4 011)	(4 580)
Disposals of subsidiaries, businesses, associates and joint ventures	16	3 777	14 634	14 641
Acquisition of short-term investments ¹		(7 355)	(7 462)	(3 922)
Maturity of short-term investments ¹		3 924	1 211	1 211
Loans advanced to related parties	18	—	(23)	(21)
Cash paid for other investments ²	16	(130)	(1 096)	(1 477)
Cash received from other investments ²	16	3 723	—	85
Acquisition of Naspers shares ³		—	(1 287)	(1 287)
Cash movement in other investing activities		(38)	37	(24)
Net cash generated from investing activities		3 680	1 917	4 392
Cash flows from financing activities				
Repurchase of own shares	3	(3 377)	(1 528)	(4 995)
Proceeds from issue of share capital		—	67	66
Proceeds from long- and short-term loans raised		81	4 237	9 564
Repayments of long- and short-term loans		(46)	(1 709)	(1 619)
Acquisition of Naspers shares resulting in a capital restructure ⁴		(615)	—	—
Additional investment in existing subsidiaries ⁵		(14)	(115)	(148)
Dividends and capital repayments paid to shareholders		(190)	—	(238)
Contributions made to Naspers share trusts	18	(127)	(151)	(190)
Repayments of capitalised lease liabilities		(35)	(27)	(51)
Additional investment from non-controlling shareholders		67	65	140
Cash movements in other financing activities ⁶		(9)	(130)	(126)
Net cash (utilised in)/generated from financing activities		(4 265)	709	2 403
Net movement in cash and cash equivalents				
Foreign exchange translation adjustments on cash and cash equivalents		(266)	(46)	(124)
Cash and cash equivalents at the beginning of the period		9 628	3 562	3 562
Cash and cash equivalents classified as held for sale		(367)	—	—
Cash and cash equivalents at the end of the period		8 452	6 156	9 628

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

² Relates mainly to the group's fair value through other comprehensive income investments. Cash received from other investments includes US\$54.2m dividends received from the JD.com investment.

³ Relates to payments for the group's acquisition of Naspers shares included in fair value through other comprehensive income investments prior to the share exchange transaction and share repurchase.

⁴ Relates to the capital restructure from the group's acquisition of Naspers shares (refer to note 3).

⁵ Relates to transactions with non-controlling interest resulting in changes in effective interest of existing subsidiaries.

⁶ The prior year includes transaction costs relating to the Prosus share exchange of US\$122.4m.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September 2022

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 that include Europe, India 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 2022 have been authorised for issue by the board of directors on 22 November 2022.

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 2022 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 2022, except for the impact of hyperinflation detailed below.

There were no new or amended accounting pronouncements effective from 1 April 2022 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. These are calculated as the relationship of the number of ordinary shares (or dilutive ordinary shares where relevant) of Prosus issued at 30 September 2022 (net of treasury shares) to the relevant net profit measure attributable to the shareholders of Prosus.

The earnings per share information presented takes into account the impact of the cross-holding agreement with Naspers.

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

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 21 'Segment information' in the consolidated financial statements as included in the annual report for the year ended 31 March 2022.

From 1 April 2022, following the operational separation from OLX Group, the CODM reviewed the financial results of Avito separately from the Classifieds Ecommerce segment. The financial results of Avito are presented separately as a discontinued operation in the operating segment information as a result of the group's decision to exit the Russian business. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations to allow the current performance of the business to be compared with prior periods. The change has no impact on the total group revenue, adjusted EBITDA and trading (loss)/profit in prior periods.

The group proportionately consolidates its share of the results of its associates and joint ventures in its disclosure of segment results in note 4.

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 interim 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 2022, the group recorded US\$15.84bn in cash, comprising US\$8.45bn of cash and cash equivalents net of bank overdrafts and US\$7.39bn in short-term cash investments. The group had US\$15.22bn of interest-bearing debt (excluding capitalised lease liabilities) and an undrawn US\$2.5bn revolving credit facility.

In assessing going concern, the impact of internal and external economic factors on the group's operations and liquidity was considered in preparing the forecasts and in assessing the group's actual performance against budget. The board is of the opinion that the group has sufficient financial flexibility to continue as a going concern in the year subsequent to the date of these condensed consolidated interim financial statements.

2. Basis of presentation and accounting policies (continued)

Information on the condensed consolidated interim financial statements (continued)

Hyperinflation

In June 2022, the International Monetary Fund declared Turkey as a hyperinflationary economy. Accordingly, the group applied the hyperinflationary accounting requirements of IAS 29 *Financial Reporting in Hyperinflationary Economies* for the group's subsidiaries in Turkey. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year.

On initial application of hyperinflationary accounting, opening equity for the group's subsidiaries is restated by applying a general price index from the date transactions arose. These restatements are recognised directly in equity. Subsequent to initial application, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later. The restatement of opening equity on initial application is not material.

The results, cash flows and financial position for the group's subsidiaries in Turkey are adjusted using a general price index to reflect the current purchasing power at the end of the reporting period. The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition of these subsidiaries to the end of the reporting period. The gain or loss on the net monetary position from translation of the financial information is recognised in the condensed consolidated income statement, except for goodwill, other intangible assets and deferred tax liabilities arising at acquisition of these subsidiaries. The impact of the gain on the net monetary position in the condensed consolidated income statement is not material.

Goodwill, other intangible assets and deferred tax liabilities arising at acquisition of these subsidiaries are restated using the general price index at the end of the reporting period. The gain or loss on the net monetary position from the adjustment to these assets and liabilities is recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity.

The general price index as published by the Turkish Statistical Institute was used in adjusting the results, cash flows and financial position for the group's subsidiaries in Turkey up to 30 September 2022. The inflation rate up to 30 September 2022 was 223.41%.

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

Share repurchase programme

On 27 June 2022, the group announced the beginning of an open-ended, repurchase programme of Prosus ordinary shares N and Naspers N ordinary shares.

The Prosus repurchase programme of its ordinary shares N is funded by an orderly, on-market sale of Tencent Holdings Limited (Tencent) shares. Until 12 August 2022, Prosus also purchased Naspers N ordinary shares.

In September 2022, Naspers began to dispose of some of the Prosus shares that it holds in order to repurchase Naspers shares pursuant to the repurchase programme.

Intermediaries have been appointed to execute the repurchase programme and sale of Tencent shares within parameters set by the group and subject to applicable laws and regulations.

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

Share repurchase programme (continued)

As part of the repurchase programme, for the period between 28 June 2022 and 30 September 2022, Prosus purchased 4 152 285 Naspers N ordinary shares for a total consideration of US\$624.5m and repurchased 53 991 368 Prosus ordinary shares N for a total consideration of US\$3.49bn, of which US\$3.38bn was received in cash.

These transactions were mainly funded by the sale of 94 678 100 Tencent shares yielding proceeds of US\$3.86bn. Furthermore, during September 2022, Naspers, through its subsidiary MIH Treasury Services Proprietary Limited, purchased 1 510 321 Naspers N ordinary shares on the market for a total consideration of US\$211m. This transaction was funded by Naspers's disposal of 3 610 774 Prosus ordinary shares N on the market, yielding proceeds of US\$211m.

Subsequent to the above transactions, Prosus now holds a 50.7%¹ (31 March 2022: 49.5%) fully diluted interest, representing a 50.9%² (31 March 2022: 49.9%) economic interest in Naspers. Prosus's legal ownership in Naspers remains less than 50% as at 30 September 2022.

The accounting for the share repurchase programme takes into consideration the cross-holding agreement between Prosus and Naspers and is implemented in accordance with the applicable laws and regulations as well as the authority granted by shareholders. The repurchase programme has no impact on the control structure of the group. Prosus's interest in Naspers does not represent control or significant influence. Naspers, therefore, continues to hold the majority of the shareholder voting rights of Prosus.

The cross-holding agreement between Naspers and Prosus became effective at the time of closing of the voluntary share exchange in August 2021. 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 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 fully diluted interest in Naspers and Naspers's legal ownership of Prosus ordinary shares N. At 30 September 2022, subject to this agreement and subsequent to the repurchase transactions above the Prosus free float economic interest in the Prosus group is 56.7% (31 March 2022: 57.7%).

Repurchase of Prosus shares

The Prosus ordinary shares N acquired by the group are classified as treasury shares. These are recognised in 'Treasury shares' on the condensed consolidated statement of financial position. The treasury shares were recognised at a cost of US\$3.49bn. The group intends to cancel the Prosus shares repurchased in due course once the relevant approvals have been obtained, so as to reduce its issued share capital.

¹ Interest in Naspers based on the cross-holding agreement 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 (continued)

Share repurchase programme (continued)

Acquisition of Naspers shares

The Naspers N ordinary shares acquired by the group are subject to the cross-holding agreement. The 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). Based on the substance of this cross-holding agreement, the portion of Prosus economic interest in Naspers attributable to the residual interest in the Naspers group is recognised as a financial asset at fair value through other comprehensive income (FVOCI). The remaining portion of the interest in Naspers attributable to Prosus's underlying investments is accounted for in equity, representing a capital restructure.

Accordingly, the consideration paid for Naspers N ordinary shares representing the increase in Prosus residual interest in Naspers was recognised as a FVOCI investment with the remaining portion representing the value of Prosus's underlying investments being recognised in equity. The group recognised US\$10.1m of the consideration as a FVOCI investment and the remaining US\$614.5m in 'Existing control business combination reserve' in equity.

Repurchase of Naspers shares

During September 2022, Naspers repurchased 1 510 321 Naspers N ordinary shares through its subsidiary MIH Treasury Services Proprietary Limited. The transaction impacted Prosus's fully diluted and economic interest in Naspers and consequently impacted the value of Prosus's residual interest in the Naspers group. This transaction resulted in an increase in the residual interest in the Naspers group, which was recognised in other comprehensive income. At 30 September 2022, the residual interest in the Naspers group amounted to US\$281.2m, subsequent to the revaluation of the residual interest. The group recognised a fair-value loss of US\$115.8m as a result of this revaluation.

Disposal of shares in Tencent

The group reduced its ownership interest in Tencent from 28.81% to 27.86%, yielding US\$3.86bn in proceeds. This is a partial disposal of an associate that does not result in a loss of significant influence. The group recognised a gain on partial disposal of US\$2.77bn in the condensed consolidated income statement. The group reclassified a loss of US\$90.3m from the foreign currency translation reserve to the condensed consolidated income statement relating to this partial disposal.

Transactions with non-controlling shareholders

In August 2022, the group entered into an agreement through its subsidiary MIH Mobile Holdings B.V. (Mobile) to acquire the remaining 33.3% stake in iFood Holdings B.V. (iFood) and IF-JE Holdings B.V., from non-controlling shareholder Just Eat Holding Limited (Just Eat) for €1.5bn in cash, plus a contingent consideration of up to a maximum of €300m at a future date. The transaction was subject to Just Eat shareholder approval. This agreement represents a contractual obligation to acquire shares from non-controlling interest. The group recognised US\$1.55bn in 'Other current liabilities' for this transaction consisting of the cash and the fair value of the contingent consideration. The liability was raised from 'Existing control business combination reserve' in equity as the risks and rewards of ownership of these shares have not been transferred.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

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

Impact of the Russian invasion of Ukraine

In May 2022, as a result of the continued conflict in the region, the group announced its decision to exit its Russian business. Accordingly, Avito was presented as a discontinued operation. The group entered into an agreement to sell its shareholding in Avito to Kismet Capital Group (Kismet) for a total cash consideration of US\$2.4bn. Kismet is a private investment group with a track record of investing in technology and telecommunications businesses in Russia. The transaction was completed in October 2022.

4. Segmental review

Reconciliation of consolidated adjusted EBITDA and trading loss to consolidated operating loss from continuing operations

	Six months ended 30 September		Year ended 31 March
	2022 US\$m	2021 US\$m	2022 US\$m
Consolidated adjusted EBITDA from continuing operations¹	(469)	(269)	(657)
Depreciation	(52)	(41)	(93)
Amortisation of software	(6)	(5)	(11)
Interest on capitalised lease liabilities	(4)	(3)	(6)
Consolidated trading loss from continuing operations²	(531)	(318)	(767)
Interest on capitalised lease liabilities	4	3	6
Interest paid on merchant payables	3	—	—
Amortisation of other intangible assets	(40)	(59)	(126)
Other (losses)/gains - net	(9)	56	(169)
Retention option expense	15	(2)	(15)
Remeasurement of cash-settled share-based incentives expenses	274	(97)	34
Share-based incentives for share options settled in Naspers shares ³	(3)	(8)	(24)
Consolidated operating loss from continuing operations	(287)	(425)	(1 061)

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, 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 Trading profit/(loss) 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.

³ Refers to share-based incentives settled in equity instruments of the Naspers group, where the Prosus group has no obligation to settle the awards with participants, ie they are settled by Naspers.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

4. Segmental review (continued)

	Revenue			Year
	Six months ended		%	ended
	30 September			31 March
	2022 US\$m	2021 US\$m	change	2022 US\$m
Continuing operations				
<i>Ecommerce</i>	5 217	3 858	35	9 194
Classifieds ¹	1 339	988	36	2 344
Food Delivery	1 911	1 261	52	2 992
Payments and Fintech	480	359	34	796
Edtech	334	120	>100	425
Etail	852	1 029	(17)	2 259
Other	301	101	>100	378
<i>Social and Internet Platforms</i>	11 309	12 463	(9)	25 794
Tencent	11 309	12 250	(8)	25 261
VK ²	—	213	(100)	533
Corporate segment	—	—	—	—
Total economic interest from continuing operations	16 526	16 321	1	34 988
<i>Less: Equity-accounted investments</i>	(13 286)	(13 568)	(2)	(28 751)
Total consolidated from continuing operations	3 240	2 753	18	6 237
Total from discontinued operations¹	540	312	73	629
Total consolidated	3 780	3 065	23	6 866

¹ From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations (refer to note 5).

² During the year ended 31 March 2022, the group lost significant influence in VK and the group now accounts for its investment at fair value through other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

4. Segmental review (continued)

	Adjusted EBITDA			
	Six months ended 30 September			Year ended 31 March
	2022 US\$m	2021 US\$m	% change	2022 US\$m
Continuing operations				
<i>Ecommerce</i>	(879)	(439)	(100)	(1 135)
Classifieds ¹	(133)	(22)	>(100)	(150)
Food Delivery	(333)	(281)	(19)	(651)
Payments and Fintech	(93)	(27)	>(100)	(52)
Edtech	(167)	(42)	>(100)	(100)
Etail	(14)	10	>(100)	12
Other	(139)	(77)	(81)	(194)
<i>Social and Internet Platforms</i>	3 142	4 012	(22)	7 623
Tencent	3 142	3 969	(21)	7 502
VK ²	—	43	(100)	121
Corporate segment	(78)	(75)	(4)	(160)
Total economic interest from continuing operations	2 185	3 498	(38)	6 328
Less: Equity-accounted investments	(2 654)	(3 767)	(30)	(6 985)
Total consolidated from continuing operations	(469)	(269)	(74)	(657)
Total from discontinued operations¹	218	164	33	246
Total consolidated	(251)	(105)	(139)	(411)

¹ From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations (refer to note 5).

² During the year ended 31 March 2022, the group lost significant influence in VK and the group now accounts for its investment at fair value through other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

4. Segmental review (continued)

	Trading (loss)/profit			Year
	Six months ended			ended
	30 September			31 March
	2022	2021	%	2022
	US\$'m	US\$'m	change	US\$'m
Continuing operations				
<i>Ecommerce</i>	(998)	(522)	(91)	(1 330)
Classifieds ¹	(159)	(42)	>(100)	(194)
Food Delivery	(381)	(312)	(22)	(724)
Payments and Fintech	(97)	(31)	>(100)	(60)
Edtech	(178)	(48)	>(100)	(117)
Etail	(38)	(11)	>(100)	(35)
Other	(145)	(78)	(86)	(200)
<i>Social and Internet Platforms</i>	2 497	3 385	(26)	6 319
Tencent	2 497	3 373	(26)	6 273
VK ²	—	12	(100)	46
Corporate segment	(81)	(78)	(4)	(167)
Total economic interest from continuing operations	1 418	2 785	(49)	4 822
Less: Equity-accounted investments	(1 949)	(3 103)	(37)	(5 589)
Total consolidated from continuing operations	(531)	(318)	(67)	(767)
Total from discontinued operations¹	210	151	39	220
Total consolidated	(321)	(167)	(92)	(547)

¹ From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation. The comparative financial results of Avito, previously presented in the Classifieds Ecommerce segment, have been reclassified and presented in discontinued operations (refer to note 5).

² During the year ended 31 March 2022, the group lost significant influence in VK and the group now accounts for its investment at fair value through other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

5. Profit from discontinued operations

In May 2022, the group announced its decision to sell its investment in Avito. Avito was presented as a discontinued operation as it is a separate major line of business in a geographical area. The assets and liabilities of Avito were classified as held for sale (refer to note 14).

Income statement information of discontinued operations

	Six months ended 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Revenue from contracts with customers ¹	540	312	629
Expenses	(313)	(189)	(434)
Profit before tax	227	123	195
Taxation	(39)	(30)	(42)
Profit from discontinued operations	188	93	153
Profit from discontinued operations attributable to:			
Equity holders of the group	190	94	155
Non-controlling interest	(2)	(1)	(2)
	188	93	153

¹ Relates mainly to Classifieds listings revenue and advertising revenue.

Cash flow statement information of discontinued operations

	Six months ended 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Net cash generated from operating activities	248	161	238
Net cash utilised in investing activities	(33)	(4)	(33)
Net cash utilised in financing activities	(7)	(128)	(182)
Cash generated by discontinued operations	208	29	23

Per share information from discontinued operations¹

	Six months ended 30 September		Year ended 31 March
	2022 US cents	2021 US cents	2022 US cents
Earnings per ordinary share N	14	6	10
Diluted earnings per ordinary share N	14	6	10
Headline earnings per ordinary share N	14	6	10
Diluted headline earnings per ordinary share N	14	6	10

¹ Refer to note 6 for further details on earnings per share from discontinued operations.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

6. Earnings per share

Calculation of headline earnings

	Six months ended 30 September		Year ended 31 March
	2022 US\$m	2021 US\$m	2022 US\$m
Earnings from continuing operations			
Basic earnings attributable to shareholders	2 345	15 797	18 578
Impact of dilutive instruments of subsidiaries, associates and joint ventures	(33)	(75)	(170)
Diluted earnings attributable to shareholders	2 312	15 722	18 408
Headline adjustments for continuing operations			
<i>Adjustments for:</i>	(2 352)	(13 536)	(15 657)
Impairment of goodwill and other intangible assets	15	—	246
Gain recognised on loss of control	(23)	—	—
(Gains)/losses recognised on loss of significant influence	(99)	(25)	1 112
Net (gains)/losses on acquisitions and disposals of investments	(25)	9	(31)
Gain on partial disposal of equity-accounted investments	(2 771)	(12 339)	(12 339)
Dilution losses/(gains) on equity-accounted investments	95	(120)	(95)
Remeasurements included in equity-accounted earnings ¹	(1 002)	(1 062)	(5 131)
Impairment of equity-accounted investments	1 458	1	581
	(7)	2 261	2 921
Total tax effects of adjustments	—	(1)	—
Total adjustment for non-controlling interest	1	—	—
Basic headline earnings from continuing operations²	(6)	2 260	2 921
Diluted headline earnings from continuing operations	(39)	2 185	2 751

¹ Remeasurements included in equity-accounted earnings include US\$1.8bn (2021: US\$1.1bn and 31 March 2022: US\$6.2bn) relating to gains arising on acquisitions and disposals by associates and US\$783m relating to net impairments of assets recognised by associates (2021: US\$23m and 31 March 2022: US\$1.1bn).

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

6. Earnings per share (continued)

Calculation of headline earnings (continued)

	Six months ended 30 September		Year ended 31 March
	2022 US\$m	2021 US\$m	2022 US\$m
Earnings from discontinued operations			
Basic earnings attributable to shareholders	190	94	155
Diluted earnings attributable to shareholders	190	94	155
Headline adjustments for discontinued operations¹			
<i>Adjustments for:</i>	3	—	—
Loss on sale of property, plant and equipment and other intangible assets	3	—	—
Basic headline earnings from discontinued operations	193	94	155
Diluted headline earnings from discontinued operations	193	94	155

¹ 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.

Earnings per share information

The earnings per share information represents 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. 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 ordinary shares N 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 50.7% (2021: 49.5% and 31 March 2022: 49.5%) fully dilutive interest in Naspers. These ordinary shares N (cross-holding ordinary shares N) are excluded from the earnings per share calculation, as they contractually do not have an economic interest in the earnings of the group.

The number of shares in issue used in the earnings per share information is weighted for the period that the shares were in issue and not recognised as treasury shares. Refer to note 3 for the impact of the share repurchase programme.

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

6. Earnings per share (continued)

	Six months ended 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Earnings attributable to shareholders from continuing operations	2 345	15 797	18 578
Headline earnings from continuing operations	(6)	2 260	2 921

	Six months ended 30 September		Year ended 31 March
	2022 '000	2021 '000	2022 '000
Number of participating ordinary shares N			
Issued shares			
Net number of shares in issue at period-end (net of treasury shares) ¹	1 949 826	2 042 541	2 003 817
Cross-holding ordinary shares N	(596 010)	(584 373)	(584 373)
Net number of shares at period-end	1 353 816	1 458 168	1 419 444
Weighted average number of ordinary shares			
Issued net of treasury shares at the beginning of the period	1 419 444	1 612 778	1 612 778
Weighting of share repurchase	(11 204)	(959)	(21 497)
Weighting of cross-holding ordinary shares N	(3 519)	(146 892)	(365 034)
Weighting of ordinary shares N issued to Naspers shareholders	—	112 861	280 466
Weighted average number of shares in issue during the period²	1 404 721	1 577 788	1 506 713
Adjusted for effect of future share-based payment transactions	—	—	—
Diluted weighted average number of shares in issue during the period	1 404 721	1 577 788	1 506 713
Per share information from continuing operations for the period (US cents)³			
Earnings per ordinary share N	167	1 001	1 233
Diluted earnings per ordinary share N	165	996	1 222
Headline earnings per ordinary share N	—	143	194
Diluted headline earnings per ordinary share N	(3)	138	183

¹ Includes 448 991 535 ordinary shares N issued to Naspers shareholders in the prior period due to the share exchange. The Prosus free float shareholders hold 773 187 139 (2021: 862 291 285 and 31 March 2022: 823 567 733) with the remaining 1 176 639 238 ordinary shares N (2021: 1 180 250 012 and 31 March 2022: 1 180 250 012) held by Naspers.

² The number of shares in issue is weighted for the period that the shares were not recognised as treasury shares as a result of the share repurchase programme (refer to note 3).

³ Total earnings per share for A ordinary shareholders amount to 15 US cents (2021: 89 US cents and 31 March 2022: 108 US cents) and B ordinary shareholders amount to nil US cents. Earnings per share for A ordinary shareholders from continuing operations amount to 14 US cents (2021: 88 US cents and 31 March 2022: 109 US cents) and B ordinary shareholders amount to nil US cents for all periods.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

7. Revenue from contracts with customers

		Six months ended 30 September		Year ended 31 March
	Reportable segment(s) where revenue is included	2022 US\$m	2021 US\$m	2022 US\$m
From continuing operations				
Online sale of goods revenue	Classifieds and Etail	1 776	1 614	3 805
Classifieds listings revenue	Classifieds	220	232	453
Payment transaction commissions and fees	Payments and Fintech	448	317	702
Mobile and other content revenue	Other Ecommerce	26	29	65
Food delivery revenue	Food Delivery	661	461	986
Advertising revenue	Various	18	23	48
Educational technology revenue	Edtech	63	23	83
Other revenue	Various	28	54	95
		3 240	2 753	6 237

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

7. Revenue from contracts with customers (continued)

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. Below is the group's revenue by geographical area:

Geographical area	Six months ended 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Asia	487	275	701
Europe	1 266	1 373	2 989
Central Europe	327	361	768
Eastern Europe	892	964	2 121
Western Europe	47	48	100
Latin America	1 140	820	1 834
North America	314	252	647
Other	33	33	66
Total	3 240	2 753	6 237

8. Finance (costs)/income

	Six months ended 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Interest income	140	27	53
Loans and bank accounts	123	23	35
Other	17	4	18
Interest expense	(278)	(179)	(399)
Loans and overdrafts	(255)	(174)	(383)
Capitalised lease liabilities	(4)	(3)	(6)
Other	(19)	(2)	(10)
Other finance income/(costs) - net	294	(172)	(77)
Gains/(losses) on translation of assets and liabilities	317	31	128
Gains/(losses) on derivative and other financial instruments ¹	(23)	(203)	(205)

¹ Prior periods included a cost of US\$217m related to the early settlement of portions of the 2025 and 2027 bonds.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

9. Profit before taxation

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

	Six months ended 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Depreciation of property, plant and equipment	52	41	93
Amortisation	46	64	137
Software	6	5	11
Other intangible assets	40	59	126
Impairment losses on financial assets measured at amortised cost	2	13	17
Net realisable value adjustments on inventory, net of reversals¹	3	2	6
Other (losses)/gains – net	(9)	56	(169)
Income on business support services	7	13	34
Impairment of goodwill and other intangible assets	(15)	–	(246)
Dividends received on investments	–	39	45
Fair-value adjustments on financial instruments	–	5	–
Other	(1)	(1)	(2)
Net gains/(losses) on acquisitions and disposals	136	(18)	(1 130)
Gains/(losses) on disposal of investments – net	25	(9)	31
Gains on loss of control	23	–	–
Loss recognised on sale of business – net	–	–	(1)
Gains/(losses) recognised on loss of significant influence ²	99	25	(1 112)
Remeasurement of contingent consideration	–	–	(6)
Transaction-related costs	(11)	(31)	(43)
Other	–	(3)	1

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

² In the 31 March 2022 financial year, the group reclassified a portion of the foreign currency translation reserves related to VK from 'Other comprehensive income' to the income statement, amounting to a loss of US\$1.14bn as a result of the loss of significant influence.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

10. Goodwill

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

	Six months ended 30 September		Year ended 31 March
	2022 US\$m	2021 US\$m	2022 US\$m
Goodwill			
Cost	3 727	2 261	2 261
Accumulated impairment	(355)	(159)	(159)
Opening balance	3 372	2 102	2 102
Foreign currency translation effects ¹	357	21	(168)
Acquisitions of subsidiaries and businesses	11	1 707	1 692
Disposals of subsidiaries and businesses	(10)	—	(8)
Transferred to assets classified as held for sale ²	(1 388)	—	—
Impairment	(6)	—	(246)
Closing balance	2 336	3 830	3 372
Cost	2 683	3 951	3 727
Accumulated impairment	(347)	(121)	(355)

¹ The current period includes a net monetary gain of US\$70.6m relating to hyperinflation accounting for the group's subsidiaries in Turkey (refer to note 2).

² Relates primarily to Avito which was classified as held for sale in May 2022 (refer to note 14).

Goodwill is tested annually as at 31 December or more frequently if there is a change in circumstance that indicates that it might be impaired. The group has allocated goodwill to various cash-generating units (CGUs). The recoverable amounts of these CGUs have been determined based on the higher of the value-in-use calculations and the fair value less costs of disposal. During the current period and prior financial year, the recoverable amounts for CGUs were determined by predominantly using value-in-use calculations. Value-in-use is based on discounted cash flow calculations. These cash flow calculations are based on 10-year forecast information.

For the six months ended 30 September 2022, the group assessed whether there was a change in circumstances that indicates that goodwill allocated to CGUs might be impaired, taking into consideration the increase in market interest rates and country risk premiums, the ongoing war in Ukraine and the overall business performance. The assessment of impairment indicators for goodwill included the actual performance of the CGUs during the period against budgets and forecasts, and movements in parameters used in the cash flow calculations such as discount rates, risk-free rates and country risk premiums. The group's material CGUs at risk of impairment in the Edtech segment had limited headroom and increased market rates. The group re-assessed its 10-year discounted cash flow valuations (value-in-use calculations) for these businesses at risk of impairment due to an increase in discount rates and country risk premiums. The group did not recognise any impairment losses for the material CGUs.

The group recognised goodwill impairment of US\$5.8m (31 March 2022: US\$246m) for the six months ended 30 September 2022. For the year ended 31 March 2022, the impairment predominantly related to Stack Overflow in the Edtech segment.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

11. Investments in associates

The movements in the carrying value of the group's investments in associates are detailed in the table below:

	Six months ended 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Opening balance	44 457	40 556	40 556
Associates acquired – gross consideration	150	4 223	4 823
Associates disposed of	–	(1)	(10)
Associates transferred to held for sale	(5)	–	(38)
Share of current-year changes in other comprehensive income and net asset value ¹	(2 788)	1 607	(2 699)
Share of equity-accounted results ¹	1 081	4 087	9 306
Impairment	(1 458)	(1)	(581)
Dividends received ²	(565)	(571)	(4 426)
Foreign currency translation effects	(3 959)	211	(251)
Loss of significant influence ³	(630)	–	–
Partial disposal of interest in associate ⁴	(1 009)	(2 315)	(2 316)
Dilution (losses)/gains ⁵	(98)	120	93
Closing balance	35 176	47 916	44 457

¹ The significant decrease is driven primarily by lower fair-value gains on financial instruments, lower gains on disposals and reduced profitability from equity-accounted associates.

² At 31 March 2022, the dividend received from Tencent amounted to US\$570.7m cash and dividend in specie of US\$3.9bn in shares of JD.com.

³ Relates to deemed disposals of associates (refer to note 16).

⁴ The gains on partial disposal recognised in the condensed consolidated income statement relate to the partial disposal of Tencent. The group recognised a gain on partial disposal of US\$2.77bn (2021: US\$12.34bn and 31 March 2022: US\$12.34bn).

⁵ The total dilution (losses)/gains presented in the condensed consolidated income statement relate 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.

11. Investments in associates (continued)

Impairment of equity-accounted investments

The group assesses whether there is an indication that its equity-accounted investments are impaired. For the six months ended 30 September 2022, the group assessment took into consideration the market capitalisation of the listed equity-accounted investments, the increase in market interest rates and country risk premiums, the ongoing war in Ukraine and the overall business performance.

Impairment assessments for the group's listed equity-accounted investments related to Delivery Hero and Skillsoft as a result of a decline in the market capitalisation and the increase in country risk premiums for these investments. Impairment assessments for the group's unlisted equity-accounted investments related primarily to investments in the Classifieds and Food Delivery segments as a result of the increase in market interest rates and the overall business performance.

The recoverable amounts of equity-accounted investments have been determined based on the higher of the value-in-use calculations and the fair value less costs of disposal. During the current period and prior financial year, the recoverable amounts were determined using value-in-use calculations. The value-in-use calculation was determined using the discounted cash flow method. The group used 10-year projected cash flow models as many businesses have monetisation timelines of longer than five years.

For Delivery Hero and Skillsoft, the value-in-use calculations were higher than the market prices for these investments because market prices reflect current market sentiment, while value-in-use calculations consider a longer-term horizon. These equity-accounted investments were valued using the sum-of-the-parts approach. Delivery Hero's 10-year projected cash flow models incorporated market views and publicly available analyst projections. Skillsoft's 10-year projected cash flow models incorporated forecast cash flow information based on the company's latest guidance.

For the unlisted equity-accounted investments, the 10-year projected cash flow models incorporated forecast cash flow information based on the latest management guidance provided.

The value-in-use calculations determined the equity values for the investments which took into consideration the following key assumptions:

Revenue and expenses

Revenue and expenses in the cash flow models were based on past experience, management's future expectations of business performance and the latest guidance announced by Delivery Hero and Skillsoft.

Growth rates

The growth rates were consistent with publicly available information relating to long-term average growth rates for the markets in which the equity-accounted investments operate. The annual growth rate used for revenue and expenses over the 10-year forecast period ranged between 5% to 25% (31 March 2022: 5% to 47%) for Delivery Hero, 5% to 15% (31 March 2022: 2% to 11%) for Skillsoft and 6% to 30% (31 March 2022: nil) for unlisted equity-accounted investments.

11. Investments in associates (continued)

Impairment of equity-accounted investments (continued)

Discount rates

The discount rates used reflect specific risks relating to the relevant operations and the regions in which they operate, while for certain operations, risk adjustments are made to discount rates used when calculating the value in use. Discount rates take into account country risk premiums and inflation differentials, as appropriate. Post-tax discount rates used ranged between 11.5% to 18.5% (31 March 2022: 10% to 15%) for Delivery Hero, 14% to 22% (31 March 2022: 10% to 20%) for Skillsoft and 13% to 15% (31 March 2022: nil) for unlisted equity-accounted investments. Pre-tax discount rates used ranged between 13% to 21% (31 March 2022: 11.6% to 16.9%) for Delivery Hero, 17% to 25% (31 March 2022: 11% to 25%) for Skillsoft and 14% to 16% (31 March 2022: nil) for unlisted equity-accounted investments.

Terminal growth rates

The terminal growth rates considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecast periods once the business segment is assumed to have reached maturity. The terminal growth rates ranged between 2% to 4% (31 March 2022: 2% to 5%) for Delivery Hero, 2% to 4% (31 March 2022: 2% to 4%) for Skillsoft and 2% to 6% (31 March 2022: nil) for unlisted equity-accounted investments. The terminal growth rate was based on the expected growth in perpetuity in the markets where these businesses operate.

The recoverable amounts for the above investments were lower than the respective carrying amounts. Accordingly, for the six months ended 30 September 2022, an impairment loss of US\$1.46bn (31 March 2022: US\$584.1m) was recognised for equity-accounted investments of which US\$996.8m related to Delivery Hero (31 March 2022: US\$nil), US\$204m related to Skillsoft (31 March 2022: US\$110.5m) and US\$256.9m related primarily to unlisted equity-accounted investments (31 March 2022: US\$nil) in the Classifieds and Food Delivery segments. Classifieds and Food Delivery segments' impairment losses recognised for unlisted equity-accounted investments amounted to US\$190m and US\$46.9m respectively.

At 30 September 2022, the carrying value for Delivery Hero and Skillsoft was US\$3.09bn and US\$196.2m respectively, while the group share in the market capitalisation of these investments was US\$2.56bn and US\$112.1m respectively.

An adverse adjustment to any of the above key assumptions used in the value-in-use calculations would result in additional impairment losses being recognised.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

12. Other investments and loans

	Six months ended 30 September		Year ended 31 March
	2022 US\$m	2021 US\$m	2022 US\$m
Investments at fair value through other comprehensive income	2 771	1 929	5 918
Investments at fair value through profit or loss	82	77	63
Investments at amortised cost	—	12	—
Other investments and loans	433	376	429
Total investments and loans	3 286	2 394	6 410
Current portion of other investments	—	27	—
Investments at fair value through profit or loss	—	16	—
Investments at amortised cost	—	11	—
Non-current portion of other investments	3 286	2 367	6 410

Reconciliation of investments at fair value through other comprehensive income

	Six months ended 30 September		Year ended 31 March
	2022 US\$m	2021 US\$m	2022 US\$m
Opening balance	5 918	4 122	4 122
Fair-value adjustments recognised in other comprehensive income	(324)	(958)	(1 210)
Purchases/additional contributions ¹	160	1 372	5 646
Loss of significant influence of an investment in associate ²	785	26	26
Disposals ³	(3 733)	—	(45)
Impact of the share repurchase programme and share exchange transaction ^{4, 5}	10	(2 640)	(2 665)
Foreign currency translation effects	(45)	7	44
Closing balance	2 771	1 929	5 918

¹ The significant movement in the prior year relates to the acquisition of Naspers shares prior to the share exchange transaction and the dividend in specie received from Tencent in the form of JD.com shares.

² The significant movement in the current year relates to the investments in BYJU'S and Udemy upon loss of significant influence (refer to note 16).

³ The significant movement in the current year relates to the disposal of the JD.com investment (refer to note 16).

⁴ The current period includes the movement in the residual interest in Naspers group as a result of the share repurchase programme (refer to note 3).

⁵ The significant movement in the prior year relates to the share exchange transaction.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

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
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Commitments	135	137	149
Capital expenditure	—	2	—
Other service commitments	130	115	132
Lease commitments ¹	5	20	17

¹ In the current period, lease commitments include the group's short-term lease arrangements as well as other contractual lease agreements whose commencement date is after 30 September 2022. 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 significant uncertain tax positions for the six months ended 30 September 2022.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

14. Disposal groups classified as held for sale

In May 2022, following the group's announcement to exit its Russian business, Avito's assets and liabilities were classified as held for sale. The sale of Avito was completed in October 2022.

There were no impairment losses recognised upon the classification of Avito as non-current assets held for sale.

In September 2022, the assets and liabilities of the group's subsidiary Zoop Tecnologia e Meios de Pagamento S.A. (Zoop) were classified as held for sale following the decision to sell the investment. The group is in negotiations with potential buyers. The transaction is expected to close in the second half of the 2023 financial year.

The assets and liabilities classified as held for sale are detailed in the table below:

	Six months ended 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Assets	2 643	—	38
Property, plant and equipment	160	—	—
Goodwill	1 388	—	—
Other intangible assets	580	—	—
Investments in associates	5	—	38
Investments and loans	—	—	—
Deferred taxation assets	4	—	—
Trade and other receivables	139	—	—
Cash and cash equivalents	367	—	—
Liabilities	525	—	—
Derivative financial instruments	3	—	—
Deferred taxation liabilities	113	—	—
Long-term liabilities	68	—	—
Provisions	1	—	—
Trade payables	150	—	—
Accrued expenses and other current liabilities	190	—	—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

15. 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
	2022 US\$m	2021 US\$m	2022 US\$m
Opening balance	1 127	1 056	1 056
SAR scheme charge per the income statement ¹	(209)	187	129
Employment-linked put option charge per the income statement	(18)	10	23
Additions	—	—	5
Settlements	(90)	(205)	(372)
Modification ²	—	356	265
Transferred to liabilities classified as held for sale ³	(47)	—	—
Foreign currency translation effects	(40)	(15)	21
Closing balance	723	1 389	1 127
<i>Less: Current portion of share-based payment liability</i>	(648)	(1 191)	(964)
Non-current portion of share-based payment liability	75	198	163

¹ The decrease in the expense is as a result of the decline in the fair values of the underlying businesses that decreased the estimated cash settlement for the schemes.

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. In the 31 March 2022 financial year, the modification relates primarily to the iFood share option scheme to cash settled.

³ Relates primarily to Avito's share-based payment liability which was classified as held for sale in May 2022 (refer to note 14).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

16. Business combinations, other acquisitions and disposals

The following relates to the group's significant transactions related to business combinations and other investments for the six months ended 30 September 2022:

Company	Classification	Amount invested US\$m			
		Net cash paid/ (received)	Non-cash consideration	Cash in entity acquired	Total consideration
Acquisition of subsidiaries					
Other ¹	Subsidiary	19	—	4	23
		19	—	4	23
Acquisition of equity-accounted investments					
Other ¹	Associate	20	—	—	20
		20	—	—	20
Additional investment in existing equity-accounted investments					
Other ¹	Associate	42	—	—	42
		42	—	—	42
Other investments					
(a) DoorDash Inc. (DoorDash)	FVOCI	—	58	—	58
(d) Think & Learn Private Limited (BYJU'S)	FVOCI	—	578	—	578
(e) Udemy Inc. (Udemy)	FVOCI	—	207	—	207
Other ¹	FVOCI/FVPL	130	—	—	130
		130	843	—	973
Disposal/Partial disposal of investments					
(a) Wolt Enterprises OY (Wolt)	FVOCI	—	(58)	—	(58)
(b) JD.Com	FVOCI	(3 666)	—	—	(3 666)
(c) Tencent Holdings Limited (Tencent)	Associate	(3 765)	(91)	—	(3 856)
(d) Think & Learn Private Limited (BYJU'S)	Associate	—	(578)	—	(578)
(e) Udemy Inc. (Udemy)	Associate	—	(207)	—	(207)
Other ¹		(15)	—	—	(15)
		(7 446)	(934)	—	(8 380)

¹ 'Other' includes various acquisitions of subsidiaries, associates and other investments that are not individually material.

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

Other investments

- a. In June 2022, in exchange for the group's entire interest in Wolt (a food and grocery delivery marketplace), the group received shares in DoorDash to the value of US\$58m. DoorDash is a predominantly US-focused food, grocery and retail delivery marketplace listed on the NYSE. The investment is not held for trading, therefore, the group accounts for this as an investment at fair value through other comprehensive income.

Disposal/Partial disposal of investments

- b. In March 2022, the group received a special interim dividend from Tencent in the form of a distribution in specie of 131 873 028 JD.com shares. The group completed the sale of the 131 873 028 JD.com shares in June 2022, for total proceeds of US\$3.67bn. Accumulated fair-value losses related to these shares of US\$189m were reclassified from the valuation reserve to retained earnings within equity as a result of this disposal.
- c. From June 2022 to the end of September 2022, the group sold 1% of Tencent's issued share capital. The group reduced its stake in Tencent from 28.8% to 27.9%, for total proceeds of US\$3.86bn, of which US\$91.2m was receivable at 30 September 2022. The group recognised a gain on partial disposal of US\$2.77bn, including a reclassification of accumulated foreign currency translation losses of US\$90m. Proceeds from this disposal are used to fund the group's share repurchase programme.
- d. In September 2022, the group lost significant influence in BYJU'S as it no longer exerts significant influence over the financial and operating policies of the entity. The group recognised a gain on disposal of the associate of US\$22m, including a reclassification of the accumulated foreign currency translation losses of US\$55m. The group accounts for its 9.67% effective interest in BYJU'S at fair value through other comprehensive income. The fair value of the BYJU'S investment, subsequent to the loss of significant influence, is US\$578m.
- e. In September 2022, the group lost its significant influence in Udemy due to the loss of its board representation. The group recognised a gain on disposal of the associate of US\$77m. The group accounts for its 12.16% effective interest in Udemy at fair value through other comprehensive income. The fair value of the Udemy investment, subsequent to the loss of significant influence, is US\$207m.
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NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

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 39 of the consolidated financial statements, published in the annual report of Prosus for the year ended 31 March 2022. There have been no material changes in the group's credit, liquidity and market risks or key inputs used in measuring fair value since 31 March 2022.

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 2022 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	2 771	1 097	—	1 674
Financial assets at fair value through profit or loss	82	3	—	79
Forward exchange contracts	1	—	1	—
Derivatives contained in lease agreements	1	—	—	1
Cross-currency interest rate swap	28	—	28	—
Cash and cash equivalents ¹	1 031	—	1 031	—
Liabilities				
Forward exchange contracts	14	—	14	—
Earn-out obligations	22	—	—	22
Derivatives contained in lease agreements	1	—	—	1
Contingent consideration	78	—	78	—

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 STATEMENTS (continued)

for the six months ended 30 September 2022

17. Financial instruments (continued)

Fair-value measurements at 31 March 2022 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	5 918	4 765	1 153
Financial assets at fair value through profit or loss	63	19	44
Forward exchange contracts	27	—	—
Derivatives contained in lease agreements	11	—	11
Derivatives contained in acquisition agreements	—	—	—
Cross-currency interest rate swap	2	—	—
Cash and cash equivalents ¹	928	—	—
Liabilities			
Forward exchange contracts	18	—	—
Earn-out obligations	20	—	20
Derivatives contained in lease agreements	2	—	2

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.

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

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.

17. Financial instruments (continued)

Level 2 fair-value measurement (continued)

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 and the residual interest in the Naspers group. The fair value of unlisted equity investments is based on either the most recent funding transactions for these investments or a weighted-income and market approach using a discounted cash flow calculation and market multiples. The fair value of the investment in the Edtech segment was determined using the weighted-income and market approach and the following unobservable inputs were used:

Revenue growth rates and EBITDA margins

Revenue growth rates and EBITDA margins are based on past experience and management's future expectations of business performance.

Long-term growth rate

The long-term growth rate is based on expectations for inflation in the regions in which the business operates, the data is sourced from publicly available information. The long-term growth rate spread over a 10-year forecast period fell within the range of 2% to 5%.

Discount rate

The discount rate used is a weighted average cost of capital. The weighted average cost of capital takes into account the cost of equity and cost of debt. The cost of equity is based on a risk-free rate adjusted for specific risks such as a country risk and equity risk premium. The cost of debt is based on the pre-tax cost of debt adjusted with a sovereign spread premium net of tax. The weighted average cost of capital fell within the range of 10% to 19%.

17. Financial instruments (continued)

Level 3 fair-value measurements (continued)

Terminal growth rate

The terminal growth rate considered the steady growth rates that would appropriately extrapolate cash flows beyond the forecast periods once the business segment has assumed to reach maturity. The terminal value assumes that free cash flow in the terminal period grows at the long-term growth rate and is then calculated using the Gordon Growth Model.

A 1% increase in the discount rates would result in a decrease in the valuation of this investment by US\$63.6m.

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.

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 believes 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 STATEMENTS (continued)

for the six months ended 30 September 2022

17. Financial instruments (continued)

Level 3 fair-value measurements (continued)

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

	30 September 2022			
	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	1 153	44	(20)	9
Additions ³	680	41	(5)	—
Total losses recognised in other comprehensive income	(91)	—	—	—
Total gains recognised in the income statement	—	3	1	—
Settlements/disposals	(62)	—	—	(9)
Transfer to held for sale	—	(9)	—	—
Foreign currency translation effects	(6)	—	2	—
Balance at 30 September 2022	1 674	79	(22)	—

	31 March 2022			
	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	967	22	—	—
Total gains/(losses) recognised in the income statement	—	6	(9)	2
Total gains recognised in other comprehensive income	107	—	—	—
Settlements/disposals	(46)	—	1	—
Transfers	(10)	—	—	—
Foreign currency translation effects	2	—	1	—
Balance at 31 March 2022	1 153	44	(20)	9

¹ Financial assets at fair value through other comprehensive income.

² Financial assets at fair value through profit or loss.

³ Significant movement in the current period relates to an investment in the Edtech segment. At 31 March 2022, significant movement relates to the recognition of the residual interest Prosus holds in the Naspers group.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

17. Financial instruments (continued)

Level 3 fair-value measurements (continued)

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

	30 September 2022		31 March 2022	
	Carrying value US\$m	Fair value US\$m	Carrying value US\$m	Fair value US\$m
Financial liabilities				
Publicly traded bonds	14 819	10 384	15 368	13 056

The fair values of the publicly traded bonds have been determined with reference to the listed prices of the instruments as at the end of the reporting period. The fair values of the publicly traded bonds are 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 and joint ventures. Transactions that are eliminated on consolidation as well as gains or losses eliminated through the application of the equity method are not included. The transactions and balances with related parties are summarised below:

	Six months ended 30 September 2022 US\$m	Year ended 31 March 2022 US\$m
Sale of goods and services to related parties¹		
Skillssoft Corp	7	34
EMPG Holdings Limited	2	12
MIH Holdings Proprietary Limited	5	12
Bom Negócio Atividades de Internet Limitada (OLX Brazil)	13	14
Various other related parties	1	1
	28	73

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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM

FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

18. Related party transactions and balances (continued)

	Six months ended 30 September 2022 US\$'m	Year ended 31 March 2022 US\$'m
Services received from related parties¹		
MIH Holdings Proprietary Limited	6	10
Various other related parties	1	1
	7	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.

During the current year, the group recharged US\$5.2m (2021: US\$12.2m) to Naspers companies in respect of services performed on their behalf. In addition, Naspers recharged costs of US\$5.1m (2021: US\$10.1m) to the group's companies.

	Six months ended 30 September 2022 US\$'m	Year ended 31 March 2022 US\$'m
Dividends paid to holding company		
Naspers Limited	82	104
	82	104

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS** (continued)
for the six months ended 30 September 2022

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 2022 US\$m	Year ended 31 March 2022 US\$m
Loans and receivables¹		
MIH Treasury Services Limited	1	16
Myriad/MIH (Malta) Limited	3	6
MIH Holdings Proprietary Limited	3	1
Bom Negócio Atividades de Internet Limitada (OLX Brazil)	204	219
MIH Internet Holdings B.V. Share Trust ²	161	154
Inversiones CMR S.A.S.	25	21
ODA Norway AS	22	—
GoodGuyz Investments B.V.	6	6
Silvergate Capital Corporation	2	4
Various other related parties	11	6
Less: Allowance for impairment of loans and receivables ³	—	—
Total related party receivables	438	433
Less: Non-current portion of related party receivables	(404)	(416)
Current portion of related party receivables	34	17
Payables		
MIH Holdings Proprietary Limited	3	3
Myriad/MIH (Malta) Limited	—	2
Zitec Com SRL	2	2
Various other related parties	4	3
Total related party payables	9	10
Less: Non-current portion of related party payables	(4)	(2)
Current portion of related party payables	5	8

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

² 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 in the condensed consolidated statement of cash flows.

³ 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

At 31 March 2022, as a result of the share exchange transaction, Prosus held 49.5% fully diluted (49.9% economic interest) in Naspers. Simultaneously with the share exchange transaction, a cross-holding agreement was entered into between Naspers and Prosus which governed how distributions between the two groups would be managed. The transaction was accounted for as a capital restructure and an acquisition of an indirect interest in the residual assets of the Naspers group outside of the Prosus group.

From June 2022, Prosus acquired an additional 4 152 285 Naspers N ordinary shares amounting to US\$624.5m. At 30 September 2022, Prosus held a 50.7% fully diluted interest (50.9% economic interest) in Naspers. The accounting treatment for this interest takes into consideration the cross-holding agreement between Prosus and Naspers.

Prosus recognised a FVOCI investment amounting to US\$281.2m (31 March 2022: US\$385m), representing its indirect interest in the residual assets of the Naspers group.

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\$127.4m (2021: US\$151.3m and 31 March 2022: US\$190.2m) during the current period.

19. Events after the reporting period

In August 2021, 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 (INR345bn). The closing of the transaction was subject to the fulfilment of various conditions precedent, including approval by the Competition Commission of India, which was secured on 5 September 2022. However, certain conditions precedent in the agreement were not fulfilled by the long-stop date of 30 September 2022. This resulted in the automatic termination of the agreement in October 2022 and, accordingly, the proposed transaction was not implemented.

In August 2022, the group entered into an agreement through its subsidiary MIH Mobile Holdings B.V. (Mobile) to acquire the remaining 33.3% stake in iFood Holdings B.V. (iFood) and IF-JE Holdings B.V., from non-controlling shareholder Just Eat Holding Limited (Just Eat) for €1.5bn in cash, plus a contingent consideration of up to a maximum of €300m at a future date. The transaction was approved by Just Eat Takeaway shareholders in November 2022. The transaction will result in the settlement of the US\$1.55bn liability recognised as at 30 September 2022 and will be accounted for in equity as a transaction with non-controlling shareholders.

In October 2022, the group sold its investment in Avito to Kismet Capital Group (Kismet) for a total cash consideration of US\$2.4bn. The group will recognise a gain on disposal of this investment and a reclassification of the accumulated foreign currency translation losses.

In November 2022, the group signed an agreement with VK Company Limited (VK) to renounce all VK shares and shareholder rights for no consideration.

In November, Tencent declared a special interim dividend in the form of a distribution in specie of its shares Meituan. Tencent declared a distribution of 1 Class B ordinary share in Meituan for every 10 shares held by shareholders on 10 January 2023.

As part of the share repurchase programme announced in June 2022, Prosus acquired 33 472 350 Prosus ordinary shares N for US\$1.71bn and Naspers acquired a further 4 765 666 Naspers N ordinary shares for US\$569m between October and 18 November 2022. Furthermore, Naspers disposed of 15 221 638 Prosus ordinary shares N for US\$771m between October and 18 November 2022. The group will account for this transaction in the same manner that it was accounted for in the period ended 30 September 2022.

The group sold 60 955 200 shares of Tencent Holdings Limited (Tencent) between October and 18 November 2022 yielding US\$1.91bn in proceeds. An accurate estimate for the gain on disposal of these shares cannot be made until the corresponding equity-accounted results for the period have been finalised.

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 2022 of Prosus N.V., Amsterdam, which comprise the condensed consolidated statement of financial position as at 30 September 2022, 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 2022 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Amsterdam, 22 November 2022

PricewaterhouseCoopers Accountants N.V.

Original has been signed by Ennèl van Eeden RA

OTHER INFORMATION TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September 2022

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 and (vii) the amortisation of intangible assets recognised in business combinations and acquisitions. 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.

Reconciliation of core headline earnings

	Six months ended 30 September		Year ended 31 March
	2022 US\$m	2021 US\$m	2022 US\$m
Headline earnings from continuing operations (refer to note 6)	(6)	2 260	2 921
<i>Adjusted for:</i>			
- Equity-settled share-based payment expenses	806	591	1 535
- Remeasurement of cash-settled share-based incentive expenses	(249)	118	14
- Amortisation of other intangible assets	352	313	701
- Fair-value adjustments and currency translation differences	(4)	(1 102)	(1 685)
- Retention option expense	(13)	1	13
- Transaction-related costs	11	34	46
Core headline earnings from continuing operations	897	2 215	3 545
Per share information for the period			
Core headline earnings per ordinary share N (US cents)	64	140	235
Diluted core headline earnings per ordinary share N (US cents) ¹	62	135	224

¹ The diluted core headline earnings per share include a decrease of US\$33.1m (2021: US\$75m and March 2022: US\$170.2m) relating to the future dilutive impact of potential ordinary shares issued by equity-accounted investees.

OTHER INFORMATION TO THE CONDENSED CONSOLIDATED

INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

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

A.1 Core headline earnings (continued)

Reconciliation of core headline earnings (continued)

	Six months ended 30 September		Year ended 31 March
	2022 US\$m	2021 US\$m	2022 US\$m
Headline earnings from discontinued operations (refer to note 6)	193	94	155
<i>Adjusted for:</i>			
- Remeasurement of cash-settled share-based incentive expenses	(33)	5	(19)
- Amortisation of other intangible assets	8	24	46
- Fair-value adjustments and currency translation differences	9	(1)	—
- Retention option expense	—	1	1
Core headline earnings from discontinued operations	177	123	183
Per share information			
Core headline earnings per ordinary share N (US cents)	13	8	12
Diluted core headline earnings per ordinary share N (US cents)	13	8	12

OTHER INFORMATION TO THE CONDENSED CONSOLIDATED

INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

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 30 September		Year ended 31 March
	2022 US\$'m	2021 US\$'m	2022 US\$'m
Share of equity-accounted results from continuing operations	1 059	4 074	9 256
- Sale of assets	3	—	—
- Gains on acquisitions and disposals	(1 789)	(1 089)	(6 227)
- Impairment of investments	783	26	1 092
Contribution to headline earnings from continuing operations	56	3 011	4 121
- Amortisation of other intangible assets	335	299	680
- Equity-settled share-based payment expenses	803	583	1 512
- Fair-value adjustments and currency translation differences	292	(1 269)	(1 761)
Contribution to core headline earnings from continuing operations	1 486	2 624	4 552
Tencent	2 098	2 977	5 413
VK	—	(25)	(51)
Delivery Hero	(206)	(190)	(409)
Other	(406)	(138)	(401)

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 2022

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 with 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	
	2022	2021
South African rand (ZAR)	0.0602	0.0692
Euro (EUR)	1.0297	1.1891
Chinese yuan renminbi (RMB)	0.1473	0.1552
Brazilian real (BRL)	0.1952	0.1909
Indian rupee (INR)	0.0127	0.0136
Polish zloty (PLN)	0.2184	0.2617
Russian rouble (RUB)	0.0160	0.0136
British pound sterling (GBP)	1.2028	1.3828
Turkish lira (TRY)	0.0585	0.1173
Hungarian forint (HUF)	0.0026	0.0034

- 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.

**OTHER INFORMATION TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS** (continued)
for the six months ended 30 September 2022

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 six months 1 April 2022 to 30 September 2022

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Dilution of the group's interest in Tencent	Associate	Social and Internet Platforms	Disposal
Loss of significant influence of the group's interest in VK	Associate	Social and Internet Platforms	Disposal
Disposal of the group's interest in Aasaanjobs	Subsidiary	Ecommerce	Disposal
Dilution and subsequent step-down of the group's interest in Selency	Subsidiary/ Associate	Ecommerce	Disposal
Acquisition of the group's interest in Oda	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Flink	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Delivery Solutions	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Flip	Associate	Ecommerce	Acquisition
Increase in the group's interest in Delivery Hero	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 Platzi	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Stack Overflow	Subsidiary	Ecommerce	Acquisition
Acquisition of the group's interest in Skillsoft	Associate	Ecommerce	Acquisition
Dilution and lag-period catch-up adjustment following the subsequent loss of significant influence of the group's interest in Udemy	Associate	Ecommerce	Disposal/ Acquisition
Increase in the group's interest in ElasticRun, together with the impact of change in revenue recognition	Associate	Ecommerce	Acquisition

OTHER INFORMATION TO THE CONDENSED CONSOLIDATED

INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

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

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

For the six months 1 April 2022 to 30 September 2022

Transaction	Basis of accounting	Reportable segment	Acquisition/ Disposal
Increase in the group's interest in Meesho	Associate	Ecommerce	Acquisition
Increase in the group's interest in DeHaat	Associate	Ecommerce	Disposal/ Acquisition
Acquisition of the group's interest in PharmEasy	Associate	Ecommerce	Disposal/ Acquisition
Acquisition of the group's interest in Aruna	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in 99 Minutos	Associate	Ecommerce	Disposal/ Acquisition
Acquisition of the group's interest in Facily	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Always	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Captain Fresh	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Sangvhi Beauty	Associate	Ecommerce	Acquisition
Acquisition of the group's interest in Bux	Associate	Ecommerce	Acquisition
Dilution of the group's interest in Swiggy	Associate	Ecommerce	Disposal
Dilution of the group's interest in Remitly	Associate	Ecommerce	Disposal
Dilution and lag-period catch-up adjustment following the subsequent loss of significant influence of the group's interest in BYJU'S together with the impact of change in revenue recognition	Associate	Ecommerce	Disposal/ Acquisition
Disposal of the group's interest in Encuentra	Associate	Ecommerce	Disposal
Disposal of the group's interest in Leiturinha	Subsidiary	Ecommerce	Disposal

The net adjustment made for all acquisitions and disposals on continuing operations that took place during the period ended 30 September 2022 amounted to a negative adjustment of US\$12m on revenue and a negative adjustment of US\$252m on trading profit.

OTHER INFORMATION TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

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:

	Six months ended 30 September							
	2021 A	2022 B	2022 C	2022 D	2022 E	2022 F ²	2022 G ³	2022 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
Continuing operations								
Revenue								
<i>Ecommerce</i>	3 858	(39)	416	(566)	1 548	5 217	41	35
Classifieds ⁵	988	(30)	1	(191)	571	1 339	60	36
Food Delivery	1 261	(13)	158	(145)	650	1 911	52	52
Payments and Fintech	359	(3)	—	(73)	197	480	55	34
Edtech	120	(2)	176	(5)	45	334	38	>100
Etail	1 029	—	11	(144)	(44)	852	(4)	(17)
Other	101	9	70	(8)	129	301	>100	>100
<i>Social and Internet</i>								
<i>Platforms</i>	12 463	(389)	—	(589)	(176)	11 309	(1)	(9)
Tencent	12 250	(176)	—	(589)	(176)	11 309	(1)	(8)
VK	213	(213)	—	—	—	—	—	(100)
<i>Corporate segment</i>	—	—	—	—	—	—	—	—
Economic interest from continuing operations	16 321	(428)	416	(1 155)	1 372	16 526	9	1
Discontinued operations⁵	312	—	1	78	149	540	48	73
Group economic interest	16 633	(428)	417	(1 077)	1 521	17 066	9	3

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 $[(F/A) - 1] \times 100$.

⁵ From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation. The change has no impact on the overall group revenue, adjusted EBITDA and trading (loss)/profit in prior periods.

OTHER INFORMATION TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2022

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:

	Six months ended 30 September							
	2021 A	2022 B	2022 C	2022 D	2022 E	2022 F ²	2022 G ³	2022 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
Continuing operations								
Trading profit								
<i>Ecommerce</i>	(522)	5	(198)	37	(320)	(998)	(62)	(91)
Classifieds ⁵	(42)	(1)	—	4	(120)	(159)	>(100)	>(100)
Food Delivery	(312)	5	(70)	26	(30)	(381)	(10)	(22)
Payments and Fintech	(31)	—	(1)	(5)	(60)	(97)	>(100)	>(100)
Edtech	(48)	—	(94)	3	(39)	(178)	(81)	>(100)
Etail	(11)	(1)	(3)	4	(27)	(38)	>(100)	>(100)
Other	(78)	2	(30)	5	(44)	(145)	(58)	(86)
<i>Social and Internet</i>								
<i>Platforms</i>	3 385	(59)	—	(130)	(699)	2 497	(21)	(26)
Tencent	3 373	(47)	—	(130)	(699)	2 497	(21)	(26)
VK	12	(12)	—	—	—	—	—	(100)
<i>Corporate segment</i>	(78)	—	—	—	(3)	(81)	(4)	(4)
Economic interest from continuing operations	2 785	(54)	(198)	(93)	(1 022)	1 418	(37)	(49)
Discontinued operations⁵	151	—	23	28	8	210	5	39
Group economic interest	2 936	(54)	(175)	(65)	(1 014)	1 628	(35)	(45)

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 $[(F/A) - 1] \times 100$.

⁵ From 1 April 2022, following the separation from OLX Group, the CODM reviewed the financial results of Avito separately. Subsequent to the group's decision to exit this Russian business, Avito was presented as a discontinued operation. The change has no impact on the overall group revenue, adjusted EBITDA and trading (loss)/profit in prior periods.

ADMINISTRATION AND CORPORATE INFORMATION

Prosus N.V.

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

Directors

JP Bekker (chair), B van Dijk (chief executive),
S Dubey, HJ du Toit, CL Enenstein,
M Girotra, RCC Jafta, AGZ Kemna,
FLN Letele, D Meyer, R Oliveira de Lima,
SJZ Pacak, V Sgourdos, MR Sorour,
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