

# ROCKET INTERNET

**Interim Condensed Consolidated  
Financial Statements for the Period Ended  
June 30, 2017**

(prepared in accordance with IFRS as endorsed in the EU)

**Rocket Internet SE, Berlin**

*Non-binding convenience translation from German*

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**Rocket Internet SE, Berlin**
**Interim Consolidated Statement of Comprehensive Income for the Period January 1 to June 30, 2017**

<b>Income Statement</b>	Jan 1 - Jun 30,	Jan 1 - Jun 30,
In EUR thousand	2017	2016
Revenue	17,977	28,616
Internally produced and capitalized assets	0	2,283
Other operating income	621	435
Result from deconsolidation of subsidiaries	4,279	30,378
Purchased merchandise and purchased services	-8,084	-11,581
Employee benefits expenses	-31,928	-12,300
Other operating expenses	-13,897	-29,103
Share of profit/loss of associates and joint ventures	-93,764	-470,099
<b>EBITDA</b>	<b>-124,795</b>	<b>-461,371</b>
Depreciation and amortization	-622	-2,116
Impairment of non-current assets	-720	0
<b>EBIT</b>	<b>-126,137</b>	<b>-463,487</b>
<b>Financial result</b>	<b>96,849</b>	<b>-157,051</b>
Finance costs	-54,996	-196,079
Finance income	151,844	39,028
<b>Loss before tax</b>	<b>-29,288</b>	<b>-620,538</b>
Income taxes	2,134	3,272
<b>Loss for the period</b>	<b>-27,154</b>	<b>-617,265</b>
Loss attributable to non-controlling interests	1,765	34,679
<b>Loss attributable to equity holders of the parent</b>	<b>-25,390</b>	<b>-582,586</b>
<b>Earnings per share (in EUR)</b>	<b>-0.15</b>	<b>-3.53</b>

<b>Statement of Comprehensive Income</b>	Jan 1 - Jun 30,	Jan 1 - Jun 30,
In EUR thousand	2017	2016
<b>Loss for the period</b>	<b>-27,154</b>	<b>-617,265</b>
Exchange differences on translation of foreign operations	-2,086	492
Net gain on available-for-sale (AFS) financial assets	219,996	424
Deferred taxes on net gain on available-for-sale (AFS) financial assets	-22	1
Share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	-8,986	17,772
Deferred taxes on share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	159	-269
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>209,061</b>	<b>18,419</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>209,061</b>	<b>18,419</b>
<b>Total comprehensive income/loss for the period, net of tax</b>	<b>181,906</b>	<b>-598,846</b>
Total comprehensive income/loss attributable to:		
Equity holders of the parent	183,641	-566,073
Non-controlling interests	-1,734	-32,773



**Rocket Internet SE, Berlin**

**Interim Consolidated Statement of Changes in Equity for the Period January 1 to June 30, 2017**

In EUR thousand	Equity attributable to equity holders of the parent			Non-controlling interests		Total equity	
	Subscribed capital	Capital reserves	Retained earnings	Other components of equity	Total		
<b>Jan 1, 2016</b>	<b>165,141</b>	<b>3,105,477</b>	<b>883,912</b>	<b>123,844</b>	<b>4,278,373</b>	<b>73,735</b>	<b>4,352,108</b>
Loss for the period			-582,586		-582,586	-34,679	-617,265
Other comprehensive income for the period, net of tax			16,513		16,513	1,906	18,419
Total comprehensive loss for the period, net of tax			-582,586		-566,073	-32,773	-598,846
Release of income tax benefit associated with transaction costs		-1,955			-1,955		-1,955
Proceeds from non-controlling interests		800			800	332	1,132
Dividends paid to non-controlling interests						-2,140	-2,140
Changes in scope of consolidation and other changes in non-controlling interests		-4,261	5,022		761	2,070	2,831
Equity-settled share-based payments (IFRS 2)			3,549		3,549	-523	3,026
<b>Jun 30, 2016</b>	<b>165,141</b>	<b>3,100,061</b>	<b>309,896</b>	<b>140,357</b>	<b>3,715,454</b>	<b>40,702</b>	<b>3,756,156</b>
<b>Jan 1, 2017</b>	<b>165,141</b>	<b>3,099,427</b>	<b>210,623</b>	<b>241,582</b>	<b>3,716,772</b>	<b>28,275</b>	<b>3,745,048</b>
Loss for the period			-25,390		-25,390	-1,765	-27,154
Other comprehensive income for the period, net of tax			209,030		209,030	30	209,061
Total comprehensive income for the period, net of tax			-25,390		183,641	-1,734	181,906
Release of income tax benefit associated with transaction costs		-729			-729		-729
Proceeds from non-controlling interests		375			375	1,203	1,577
Non-cash contributions from non-controlling interests		23			23	16	39
Non-cash dividends to non-controlling interests						-187	-187
Changes in scope of consolidation and other changes in non-controlling interests		-2,892	70		-2,822	4,029	1,207
Equity-settled share-based payments (IFRS 2)			9,929		9,929	6	9,935
<b>Jun 30, 2017</b>	<b>165,141</b>	<b>3,096,204</b>	<b>195,232</b>	<b>450,612</b>	<b>3,907,189</b>	<b>31,609</b>	<b>3,938,797</b>

**Rocket Internet SE, Berlin**
**Interim Consolidated Statement of Cash Flows for the Period January 1 to June 30, 2017**

In EUR thousand	Jan 1 - Jun 30, 2017	Jan 1 - Jun 30, 2016
<b>1. Cash flow from operating activities</b>		
Loss before tax	-29,288	-620,538
Adjustments to reconcile loss before tax to net cash flow:		
+ Depreciation of property, plant and equipment	444	507
+ Amortization of intangible assets	178	1,609
+ Impairment of non-current assets	720	0
+ Equity-settled share-based payment expense	9,792	3,503
+/- Net foreign exchange differences	21,211	35
-/+ Gain/loss on disposal of intangible assets, property, plant and equipment	18	60
-/+ Gain/loss on disposal of non-current financial assets	-28	49
-/+ Gain/loss from deconsolidations	-4,279	-30,378
+/- Other non-cash expenses/income	-91	3
-/+ Fair value adjustments of equity instruments FVTPL	-86,725	158,398
- Finance income	-51,940	-12,334
+ Finance costs	20,944	11,058
-/+ Share of profit or loss of associated companies and joint ventures (equity method)	93,764	470,099
Working capital adjustments:		
-/+ Increase/decrease in trade and other receivables and prepayments	-983	-1,350
-/+ Increase/decrease in inventories	357	-519
+/- Increase/decrease in trade and other payables	-23,851	-24,080
+ Dividends received	188	535
+ Interest received	14,689	892
+/- Adjustments for net change in operating financial assets	-24,896	0
- Interest paid	-5,412	-9,196
- Income tax paid	-10	-198
<b>= Cash flow from operating activities</b>	<b>-65,198</b>	<b>-51,845</b>
<b>2. Cash flows from investing activities</b>		
+ Proceeds from sale of property, plant and equipment	9	35
- Purchase of property, plant and equipment	-175	-1,140
- Cash paid for investments in intangible assets	-77	-2,873
+ Proceeds from disposal of non-consolidated equity investments	301,620	107,617
- Cash outflows for acquisitions of non-consolidated equity investments	-44,099	-14,206
+ Proceeds from sale of subsidiaries <sup>1</sup>	10,583	102,900
- Acquisition of subsidiaries, net of cash acquired	-1,517	0
+/- Cash inflows/outflows from changes in scope of consolidation	-1,922	-9,375
+ Cash received in connection with short-term financial management of cash investments	24,272	293
- Cash paid in connection with short-term financial management of cash investments	-32,714	-144,265
+ Cash received in connection with the repayment of long-term financial assets	55,000	0
- Cash paid in connection with the acquisition of financial assets and granting of long-term financial assets	-12,045	-3,124
<b>= Cash flows from investing activities</b>	<b>298,937</b>	<b>35,862</b>
<b>3. Cash flows from financing activities</b>		
- Repurchase of convertible bonds	-37,041	-69,367
+ Proceeds from non-controlling interests	1,577	1,132
+ Proceeds from borrowings	2,647	1,056
- Repayment of borrowings	-289	-137
- Dividends paid to non-controlling interests	0	-2,140
<b>= Cash flows from financing activities</b>	<b>-33,105</b>	<b>-69,456</b>
<b>4. Cash and cash equivalents at the end of the period</b>		
Net change in cash and cash equivalents (subtotal of 1 to 3)	200,633	-85,439
Net foreign exchange difference	-9,920	-614
Cash and cash equivalents at the beginning of the period	1,401,655	1,768,599
<b>Cash and cash equivalents at the end of the period</b>	<b>1,592,368</b>	<b>1,682,546</b>

<sup>1</sup> Cash disposed in conjunction with the sale of subsidiaries amounts to EUR 1,283 thousand (previous period EUR 269 thousand) and is presented in the line item Cash inflows/outflows from changes in scope of consolidation.

## **1 Corporate Information**

Rocket Internet SE, hereinafter also referred to as “Rocket Internet“, the “Company“ or “parent company“, is registered in the commercial register Charlottenburg of the district court in Berlin (Registration No.: HRB 165662). Rocket Internet SE’s registered office is at Charlottenstraße 4, 10969 Berlin, Germany.

Rocket Internet SE is the parent company of directly and indirectly held subsidiaries and directly or indirectly holds interest in associated companies and joint ventures, hereinafter together also referred to as the “Rocket Internet Group“ or the “Group“.

Subsidiaries, associated companies, joint ventures as well as the other companies in which the Group holds equity interests herein are summarized as “network companies”.

The shares of Rocket Internet SE are admitted to trading in the Prime Standard (the regulated market segment with additional post-admission obligations) of the Frankfurt Stock Exchange and are included in the SDAX index.

The unaudited interim condensed consolidated financial statements are presented in Euro (EUR). Unless otherwise indicated, all values are rounded up or down to the nearest thousand in accordance with a commercial rounding approach, which may result in rounding differences, and percentage figures presented may not exactly reflect the absolute figures they relate to.

The reporting period is January 1 to June 30, 2017. If not otherwise stated comparative figures for the balance sheet are as of December 31, 2016 and comparative figures for the Statement of Comprehensive Income and the Statement of Cash Flows are for the interim period January 1 to June 30, 2016.

## **2 Basis of Preparation and Accounting Policies**

### **Basis of preparation**

The unaudited interim condensed consolidated financial statements for the period January 1, 2017 to June 30, 2017 comply with IAS 34 (Interim Financial Reporting) in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and effective at the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the consolidated financial statements, and should be read in conjunction with the Group’s consolidated financial statements as of December 31, 2016 (“Consolidated Financial Statements 2016”). These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretation Committee (IFRS IC) approved by the IASB and in effect and adopted by the EU.

The income tax for the interim periods was calculated using the estimated annual effective tax rate.

Basic earnings per share are identical to diluted earnings per share.

**Mandatory adoption of new accounting standards**

The accounting policies applied for the consolidated financial statements as of December 31, 2016 are basically unchanged. The first-time mandatory adoption of new or amended standards and interpretations in the financial year 2017 did not have a material impact on the interim condensed consolidated financial statements.

**Critical judgments, estimates and assumptions in applying accounting policies**

The preparation of the interim condensed consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, the uncertainty associated with these assumptions and estimates could lead to results which require material adjustments to the carrying amount of the asset or liability affected in future periods. The use of estimates and assumptions is explained in the Consolidated Financial Statements 2016. New judgments, estimates and assumptions made by the Group during the first half of 2017 are described below.

**Classification of shares in Delivery Hero AG as AFS financial assets**

As of June 30, 2017, the Group owns 28.6%<sup>1</sup> of the total outstanding share capital of Delivery Hero AG (DH).

In June 2017, the existing shareholders prior to the IPO and DH have entered into a post IPO shareholders' agreement in which the existing shareholders of DH prior to the IPO agreed to use their voting rights in the first shareholders' meetings following the IPO in which members of the DH's supervisory board are newly appointed, to implement certain supervisory board compositions as agreed in the pre-IPO investment agreement for a term ending with the shareholders' meeting which resolves on the discharge of the members of the DH's supervisory board for the second full business year following the IPO.

The Group did not obtain representation on Delivery Hero's supervisory board as specified in the post IPO shareholders' agreement of DH, which precludes Rocket Internet from the participation in financial and business policy-making processes of DH. In light of the lack of significant influence, the Group continues to classify its equity investment in DH as an available-for-sale financial asset.

**Impairment of non-current assets**

The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. During the first half of 2017, the market capitalization of the Group developed as follows:

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<sup>1</sup> All participation quotas for the network companies shown in the financial statements are based on the Group's ownership calculated pursuant to the respective accounting rules (e.g. reflecting the transaction closing dates, dates of change in control, considering trust shares allocated to the Group, excluding shares indirectly held via RICP etc.) and may therefore differ from the respective information published on the Company's website (participation quotas calculated including RICP) which is based on the signing dates.



Trading Date	Closing Price <sup>1)</sup> EUR per share	Market Capitalization <sup>2)</sup> in EUR thousand
Dec 30, 2016	19.14	3,160,795
Jan 31, 2017	21.61	3,568,692
Feb 28, 2017	17.82	2,942,809
Mar 31, 2017	16.03	2,647,207
Apr 28, 2017	16.75	2,766,108
May 31, 2017	20.84	3,441,534
Jun 30, 2017	18.83	3,109,601

<sup>1)</sup> As per electronic computer trading system XETRA

<sup>2)</sup> Based on 165,140,790 ordinary shares

As of June 30, 2017, the market capitalization of the Group was below the book value of its equity. The Group tested its non-current assets for impairment and recognized impairment losses of EUR 720 thousand. As of June 30, 2017 the Group does not have any material goodwill or other intangible assets.

### Scope of consolidation

As a result of Rocket Internet being a platform for building and investing in Internet-based business models, the basis of consolidation is subject to changes in each reporting period. During the reporting period, the consolidated Group has developed as follows:

	Germany	Other countries	Total
As of Dec 31, 2016	48	77	125
First-time consolidation	0	2	2
Transition to associated company	0	-1	-1
Transition to subsidiary of associated company	-2	-6	-8
Acquisition	0	1	1
Disposal	-2	0	-2
Deconsolidation of inactive subsidiaries and liquidation	-4	-9	-13
Other	2	-2	0
<b>As of Jun 30, 2017</b>	<b>42</b>	<b>62</b>	<b>104</b>

During the first half of 2017 there were no material acquisitions of subsidiaries that meet the definition of a business combination, see Note 4.

First-time consolidation relates to formerly dormant subsidiaries that were founded in previous years and which started operations during the reporting period.

Transition of subsidiaries to an associated company or joint venture occurs when a subsidiary issues shares to third parties and following this, Rocket Internet's interest is diluted, such that the Group no longer controls the subsidiary/group of subsidiaries.

Disposal relates to regular sales of interest in a consolidated subsidiary that give rise to the loss of control of a subsidiary.

**Disposal of subsidiaries**

During the first half of 2017 there were the following disposals of subsidiaries.

The sale of 100% of the shares in Rocket Labs GmbH & Co. KG to Global Fashion Group was closed on April 1, 2017. On April 27, 2017, Rocket Internet divested its 79.0% share in sparks42 GmbH. The divestments that occurred during the first half of 2017 had no material effect on the interim financial statements.

**Associates and joint ventures**

As of June 30, 2017, the Group has 45 associated companies/joint ventures. Their number has developed as follows:

	Germany	Other countries	Total
As of Dec 31, 2016	24	24	48
Transition of formerly consolidated subsidiaries	0	1	1
Transition to other investments	0	-1	-1
Disposal	-3	0	-3
<b>As of Jun 30, 2017</b>	<b>21</b>	<b>24</b>	<b>45</b>
<i>thereof at equity</i>	<i>17</i>	<i>16</i>	<i>33</i>
<i>thereof at FVTPL<sup>1)</sup></i>	<i>4</i>	<i>8</i>	<i>12</i>

<sup>1)</sup> Fair value through profit or loss

During the first half of 2017 the Group sold shares in Anschlussstor Vermarktungs GmbH, Plinga GmbH and Casa Home & Living GmbH. The transactions had no material effect on the interim financial statements.

For more information reference is made to Note 6.

**3 Segment Information**

The following four reportable segments exist: HelloFresh (former Food 1), GFG (former Fashion), Jumia and Home & Living. The reportable segments reflect the most mature business activities of Rocket Internet. Other network companies do not meet the thresholds for reportable segments. Other investments where Rocket Internet cannot exercise significant influence neither qualify as reportable nor as operating segments.

Comparability of the reportable segments in the first half of 2017 with the previous period is affected by the following transactions:

- The reportable segment GFG classified its operations in Middle East as discontinued (brand Namshi) as of June 30, 2017. As a result, during the six-month period ended June 30, 2017, the segment GFG does no longer include the operations in Middle East (brand Namshi).
- For the six-month period ended June 30, 2016, the financial information of the former operating segment Jumia was reclassified from the segment General Merchandise into the new reportable segment Jumia.
- Effective December 31, 2016, foodpanda was sold to Delivery Hero, thus, ceasing to represent an operating segment starting from 2017.

## Rocket Internet SE

### Notes to the Interim Condensed Consolidated Financial Statements for the first half of 2017

Segment information for the reportable segments for the first half 2017 is set out below (in EUR thousand):

First half of 2017	HelloFresh	GFG	Jumia	Home & Living	Other <sup>2)</sup>	Re-conciliation <sup>3)</sup>	Total
Revenue	435,404	510,567	37,491	254,367	216,666	-1,436,518	17,977
EBITDA <sup>1)</sup>	-49,034	-43,059	-52,513	-26,046	96,448	-50,593	-124,795
Cash and cash equivalents <sup>4)</sup>	112,828	169,851	24,371	34,204	923,474	327,640	1,592,368

<sup>1)</sup> Earnings before interest, taxes, impairment, depreciation and amortization

<sup>2)</sup> Other includes cash and cash equivalents of Rocket Internet SE of EUR 781,887 thousand.

<sup>3)</sup> The reconciliation column includes the elimination of EUR 1,443,049 thousand of revenues, elimination of EBITDA of EUR 280,431 thousand as well as the elimination of cash and cash equivalents from non-consolidated network companies. Moreover, the cash and cash equivalents of EUR 965,125 thousand of fully consolidated subsidiaries which do not meet the definition of an operating segment and effects from consolidation are reflected here.

<sup>4)</sup> Except for cash and cash equivalents included in the assets classified as held for sale amounting to EUR 11,168 thousand in the GFG segment

Segment information for the reportable segments for the first half 2016 is set out below (in EUR thousand):

First half of 2016	Hello Fresh	food-panda	GFG	Jumia	Home & Living	General Mer-chandise <sup>2)</sup>	Other <sup>3)</sup>	Re-conciliation <sup>4)</sup>	Total
Revenue	291,500	21,678	455,799	32,963	241,369	89,703	87,783	-1,192,178	28,616
EBITDA <sup>1)</sup>	-49,153	-34,598	-82,324	-38,016	-37,569	-94,023	30,632	-156,320	-461,371
Cash and cash equivalents <sup>5)</sup>	132,605	72,133	120,210	4,982	48,281	106,911	1,033,489	163,936	1,682,546

<sup>1)</sup> Earnings before interest, taxes, impairment, depreciation and amortization

<sup>2)</sup> The former segment General Merchandise includes financial information of Lazada (until April 2016) and Linio (until June 2016). For more information, please, refer to Note 6 in the Consolidated Financial Statements 2016.

<sup>3)</sup> Other includes cash and cash equivalents of Rocket Internet SE of EUR 820,950 thousand.

<sup>4)</sup> The reconciliation column includes the elimination of EUR 1,202,342 thousand of revenues, elimination of EBITDA of EUR 409,662 thousand as well as the elimination of cash and cash equivalents from non-consolidated network companies. Moreover, the cash and cash equivalents of EUR 920,507 thousand of fully consolidated subsidiaries which do not meet the definition of an operating segment and effects from consolidation are reflected here.

<sup>5)</sup> Except for cash and cash equivalents included in the assets classified as held for sale amounting to EUR 4,599 thousand in the GFG segment

## 4 Business Combination

On May 23, 2017, the Group acquired 100% shares in the French company Holidays & Co. S.A.S. ([www.camping-and-co.com](http://www.camping-and-co.com)). The purchased subsidiary was founded in 2007 and offers online reservation of camping tours and travel packages. The Group acquired Holidays & Co. S.A.S. for a total consideration of EUR 7,500 thousand consisting of cash paid in May 2017 and cash payable in future periods as well as of non-cash consideration (issuance of shares by a consolidated subsidiary to non-controlling shareholders). Goodwill arising on this acquisition amounts to EUR 4,465 thousand. The business combination is immaterial for the Group.

## 5 Revenue

Revenue for the period comprises the following:

<i>In EUR thousand</i>	Jan 1 - Jun 30, 2017		Jan 1 - Jun 30, 2016	
Rendering of services	13,407	75%	22,274	78%
Sale of goods	3,246	18%	5,674	20%
Interest	1,324	7%	668	2%
<b>Total</b>	<b>17,977</b>	<b>100%</b>	<b>28,616</b>	<b>100%</b>

Revenue generated from rendering of services primarily results from consulting services provided to network companies. Furthermore, revenues from rendering of intermediation services (specialized online and mobile transaction platforms for goods and services/marketplaces), forwarding services as well as from re-selling of services purchased from third parties are included therein.

## 6 Investments in Associates and Joint Ventures

Investments accounted for using the equity method:

<i>In EUR thousand</i>	Jun 30, 2017	Dec 31, 2016
Investments in associates	545,382	529,133
Investments in joint ventures	212,645	308,320
<b>Total investments in associates and joint ventures</b>	<b>758,027</b>	<b>837,453</b>

The increase of investments in associates by EUR 16,249 thousand primarily originates from the reversal of impairment of Global Fashion Group and positive effects from the capital increase of HelloFresh. During the first half of 2017, Rocket Internet recognized a gain in connection with Global Fashion Group of EUR 21,202 thousand of which EUR 33,788 thousand relate to the reversal of impairment charges and EUR 12,586 thousand relate to the proportionate share of loss of Global Fashion Group. Additionally, Rocket Internet recognized a total gain for HelloFresh of EUR 11,039 thousand which contains proportionate losses of HelloFresh as well as a deemed disposal gain attributable to HelloFresh's recent financing round. Other effects include equity method losses of other associated companies such as Traveloka (EUR 22,437 thousand) and Westwing (EUR 5,927 thousand) as well as investments made into the RICP funds of EUR 20,880 thousand.

The decrease of interest in joint ventures by EUR 95,674 thousand mainly results from the impairment charges recognized in connection with Middle East Internet Group (EUR 33,588 thousand) and Asia Pacific Internet Group (EUR 32,283 thousand) as well as the proportionate share of loss of Jumia (EUR 10,395 thousand). The impairments are attributable to the deteriorated business outlook for some regionally operated business models. Growing competition and increasing pressure on margins can be observed in the local markets. A prominent example of this development is the purchase of Souq.com (eCommerce platform based in Dubai) by Amazon in the first half of 2017.

## Rocket Internet SE

### Notes to the Interim Condensed Consolidated Financial Statements for the first half of 2017

In the first half of 2017, the Group has made cash investments of EUR 3,336 thousand in joint ventures and EUR 22,995 thousand in associated companies accounted for using the equity method.

#### Investments in associates

Details of the Group's material associates at the end of the reporting period are as follows:

Trade name	Name of associate	Registered office	Principal activity	Ownership		
				Jun 30, 2017	Dec 31, 2016	Jun 30, 2016
AEH New Africa II (Holding for parts of Jumia) <sup>1)</sup>	AEH New Africa eCommerce II GmbH	Berlin	eCommerce/marketplace	71.2%	71.2%	71.2%
Global Fashion	Global Fashion Group S.A.	Luxembourg	eCommerce	20.6%	20.6%	27.0%
HelloFresh <sup>1)</sup>	HelloFresh SE	Berlin	eCommerce	53.3%	55.8%	55.8%
Home24	Home24 AG	Berlin	eCommerce	41.3%	42.8%	44.6%
Westwing	Westwing Group GmbH	Berlin	eCommerce	32.3%	32.3%	32.2%
foodpanda <sup>2)</sup>	Emerging Markets Online Food Delivery Holding S.à r.l.	Luxembourg	marketplace	n/a	n/a	49.1%
Linio <sup>3)</sup>	New Tin Linio II GmbH	Berlin	marketplace/eCommerce	7.8%	9.7%	20.4%

<sup>1)</sup> No control due to specific regulations in the shareholders' agreement

<sup>2)</sup> Sold to Delivery Hero AG in December 2016

<sup>3)</sup> For the purposes of the equity method, the economic ownership that was used as of June 30, 2016 differs from the legal equity interest. No significant influence as of June 30, 2017 and December 31, 2016.

#### Description of the Group's involvements in Rocket Internet Capital Partners Fund

In the first half of 2016, a Fund named Rocket Internet Capital Partners ("RICP" or "Fund") was established. As of June 30, 2017, the following companies of the Group were involved in the Fund:

Name	Company name	Registered Ownership of		Status
		office	the Group	
RICP or Fund	Rocket Internet Capital Partners SCS and Rocket Internet Capital Partners (Euro) SCS <sup>1)</sup>	Luxembourg	14% <sup>2)</sup>	Structured entities
Founder SCS	Rocket Internet Capital Partners Founder SCS	Luxembourg	75%	Fully consolidated subsidiary
General partner	Rocket Internet Capital Partners Lux S.à r.l.	Luxembourg	100%	Fully consolidated subsidiary
RI Capital or advisor	RI Capital Advisors Limited	London	100%	Fully consolidated subsidiary

<sup>1)</sup> USD-Fund and EUR-parallel Fund (investors have the option to invest in USD and/or in EUR)

<sup>2)</sup> Quota relates to the total Fund (USD-Fund and EUR-parallel Fund).

Both structured entities are sponsored by the Group. The general partner of the Fund acts as a fund manager. RI Capital acts as an advisor to the general partner. The general partner and the advisor are subsidiaries of Rocket Internet SE. Rocket Internet SE has underwritten an amount equal to 14% of the subscribed capital of the Fund via its participation in the Founder SCS. The remaining 86% of the equity funding are provided by third parties (institutional investors as well as high net worth individuals).

The Fund invests jointly with Rocket Internet (co-investment ratio: 80% RICP; 20% Rocket Internet). The Fund's term is for at least nine years.

The total commitment of the Founder SCS amounts to USD 141,415 thousand (approx. EUR 123,918 thousand) of which a total amount of EUR 28,861 thousand was invested until June 30, 2017.

#### **Interests in unconsolidated structured entities**

The Group's interests in RICP refer to contractual and non-contractual involvement that exposes the Group to variable returns from the performance of the structured entities. The Group's interest in unconsolidated structured entities solely includes equity investments.

#### **Maximum credit risk of unconsolidated structured entities**

The maximum exposure to loss is determined by considering the nature of the interest in the unconsolidated structured entity. The maximum exposure for equity investments is reflected by their carrying amounts in the consolidated balance sheet. The structured entities are shown in the balance sheet item Investments in associates and joint ventures. The Group is not absorbing any risk arising from the variability of returns from the structured entities via other interests such as debt investments, liquidity facilities, guarantees, derivatives, etc. As an administrator of the Fund, the general partner will bear various administrative expenses. Rocket Internet has pledged short-term financial assets amounting to EUR 154,039 thousand as collateral for RICP's short-term credit facility. As of June 30, 2017, RICP has drawn down EUR 64,546 thousand of that credit facility. Rocket Internet did not provide further non-contractual support during the first half of 2017 and 2016 to unconsolidated structured entities. The Group is not contractually obliged to provide financial support to these entities in any form.

#### **Profit entitlements derived from involvement with structured entities**

The Founder SCS is entitled to an increased share in profits (carry) for its services in relation to the Fund.

#### **Size of the structured entity**

The size of the Fund (USD-Fund and EUR-parallel Fund) is determined by the total combined commitments of its investors (including Rocket Internet), which were equal to USD 1,000,000 thousand as of June 30, 2017. The Fund's investments are measured at fair value through profit or loss.

## Investments in joint ventures

Details of the Group's material joint ventures at the end of the reporting period are as follows:

Trade name	Name of joint venture	Registered office	Principal activity	Ownership		
				Jun 30, 2017	Dec 31, 2016	Jun 30, 2016
Jumia Group <sup>1), 2)</sup>	Africa Internet Holding GmbH	Berlin	eCommerce/marketplace	21.7%	21.7%	25.4%
Asia Pacific Internet Group <sup>1)</sup>	Asia Internet Holding S.à r.l.	Luxembourg	eCommerce/marketplace	50.0%	50.0%	50.0%
Middle East Internet Group <sup>1)</sup>	Middle East Internet Holding S.à r.l.	Luxembourg	eCommerce/marketplace	50.0%	50.0%	50.0%

<sup>1)</sup> Strategic partnership, providing access to customers and markets in the respective regions Africa, Asia-Pacific and Middle East

<sup>2)</sup> Referred to as Africa Internet Group in the previous year

## 7 Notes to the Statement of Cash Flows

For the purposes of the consolidated statement of cash flows the item cash and cash equivalents includes cash on hand and cash in banks. These items are shown in the consolidated balance sheet as such or are included in assets classified as held for sale. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

<i>In EUR thousand</i>	Jun 30, 2017	Dec 31, 2016	Jun 30, 2016
Balance sheet line item Cash and cash equivalents	1,592,368	1,401,022	1,682,546
Cash and bank balances included in the assets classified as held for sale	0	632	0
<b>Cash and cash equivalents</b>	<b>1,592,368</b>	<b>1,401,655</b>	<b>1,682,546</b>

## 8 Share Capital and Reserves

As of June 30, 2017 and December 31, 2016, subscribed capital (share capital) amounted to EUR 165,141 thousand and was fully paid-in. The registered share capital is divided into 165,140,790 no-par value bearer shares.

During the first half of 2017 and 2016, no dividends were declared or paid to the shareholders of the parent company.

During the first half of 2017, a fully consolidated subsidiary made a non-cash distribution of EUR 187 thousand to a non-controlling shareholder. During the first half of 2016, a fully consolidated subsidiary paid a cash dividend to a non-controlling shareholder of EUR 2,140 thousand.

## 9 Share-Based Compensation – Equity-Settled Arrangements

The Group maintains a number of equity-settled share-based compensation arrangements, under which the Company and its subsidiaries receive services from eligible and selected directors or employees and others providing similar services in exchange for the following equity instruments:

- Share options in the Company,
- Ordinary shares in subsidiaries (“share awards”),
- Share options in subsidiaries.

Compared to December 31, 2016, there were no major changes with regard to these plans.

## 10 Financial Instruments

The following table shows the carrying amounts and fair values of all financial instruments recognized in the consolidated financial statements as well as their measurement category as per IAS 39 and the hierarchy for the determination of fair value according to IFRS 13:



**Rocket Internet SE**
**Notes to the Interim Condensed Consolidated Financial Statements for the first half of 2017**

	Measured at	Level	Carrying amount			Fair Value	
			Jun 30, 2017	Dec 31, 2016	Jun 30, 2017	Dec 31, 2016	
<i>In EUR thousand</i>							
<b>Non-current financial assets</b>							
Equity instruments - listed companies	FV	1	1,228,521	30,193	1,228,521	30,193	
Equity instruments – non-listed companies thereof Europe	FV	3	166,017	1,419,774	166,017	1,419,774	
thereof United States			135,059	1,993,704	135,059	1,993,704	
thereof Rest of World			24,886	21,683	24,886	21,683	
Subsidiaries outside consolidation	C	n/a	6,072	4,387	6,072	4,387	
Derivative financial assets	FV	3	1,824	1,888	n/a	n/a	
Asset backed securities issued by third parties	AC	3	3,474	2,577	3,474	2,577	
Receivables from the sale of investments	AC	3	3,446	3,446	3,446	3,446	
Loan receivables from associated companies	AC	3	5,291	5,662	5,291	5,662	
Loan receivables from third parties	AC	3	2,000	2,000	2,000	2,000	
Other non-current financial assets measured at fair value	FV	3	22,120	70,826	22,120	70,826	
Other non-current financial assets	AC	3	4,661	3,627	4,661	3,627	
			12,660	2,076	12,660	2,076	
<b>Current financial assets</b>							
Loan receivables from associated companies and joint ventures	AC	n/a	36,230	31,633	36,230	31,633	
Asset backed securities issued by associated companies	AC	n/a	7,500	6,000	7,500	6,000	
Receivables from the sale of investments	AC	n/a	134,786	11,711	134,786	11,711	
Bank deposits	AC	n/a	154,039	163,379	154,039	163,379	
Equity instruments - listed companies	FV	1	141,572	0	141,572	0	
Derivative financial assets	FV	2	339	0	339	0	
Loan receivables from third parties	AC	n/a	18,444	370	18,444	370	
Other current financial assets	AC	n/a	2,477	3,249	2,477	3,249	
Trade receivables	AC	n/a	9,018	7,584	9,018	7,584	
Cash and cash equivalents	AC	n/a	1,592,368	1,401,022	1,592,368	1,401,022	
<b>Financial assets classified as held for sale</b>							
Equity instruments – non-listed companies (Europe)	FV	3	0	166,311	0	166,311	
Other financial assets	AC	n/a	0	21	0	21	
Cash and cash equivalents	AC	n/a	0	632	0	632	

**Rocket Internet SE**
**Notes to the Interim Condensed Consolidated Financial Statements for the first half of 2017**

	Measured at	Level	Carrying amount		Fair Value	
			Jun 30, 2017	Dec 31, 2016	Jun 30, 2017	Dec 31, 2016
<i>In EUR thousand</i>						
<b>Non-current financial liabilities</b>						
Liabilities from convertible bonds <sup>1)</sup>	AC	3	296,360	332,643	309,523	330,768
Other non-current financial liabilities	AC	3	1,853	0	1,853	0
<b>Interest-bearing loans and borrowings (current)</b>						
Liabilities from convertible bonds	AC	n/a	4,129	4,658	4,129	4,658
Loan liabilities	AC	n/a	1,374	2,279	1,374	2,279
Bank liabilities	AC	n/a	82	1	82	1
<b>Other current financial liabilities</b>						
Liabilities from capital calls	AC	n/a	19,997	25,791	19,997	25,791
Derivative financial liabilities	FV	2	11,757	0	11,757	0
Contingent contractual payment obligations	FV	3	0	3,779	0	3,779
Mandatorily redeemable non-controlling interests issued by a consolidated subsidiary	FV	3	17	0	17	0
Other current financial liabilities	AC	n/a	8,848	819	8,848	819
Trade payables	AC	n/a	11,797	11,737	11,797	11,737
<b>Financial liabilities directly associated with assets classified as held for sale</b>						
Other current financial liabilities	AC	n/a	0	8	0	8
Trade payables	AC	n/a	0	34	0	34
<b>Thereof aggregated according to the measurement categories of IAS 39</b>						
Available-for-sale (afs)			1,379,768	1,282,803	1,377,944	1,280,915
Financial assets measured at fair value through profit or loss mandatorily (fvtpl)			3,813	2,577	3,813	2,577
Financial assets measured at fair value through profit or loss under fair value option (fvfvo)			162,827	338,990	162,827	338,990
Loans and receivables (lar)			2,000,379	1,709,611	2,000,379	1,709,611
Financial liabilities at fair value through profit or loss (flvftpl)			11,774	3,779	11,774	3,779
Other financial liabilities (ofl)			344,440	377,970	357,603	376,095

<sup>1)</sup> Fair value measurement based on price of the convertible bond as of June 30, 2017 of 98.70% (December 31, 2016 93.49%) (Level 3).

The following **measurement methods** were used:

AC – Amortized cost,  
 C – Cost,  
 FV – Fair value

In accordance with IFRS 13, the following hierarchy is used to determine and disclose the fair value of financial instruments:

Level 1: Fair values based on quoted prices in active markets.

Level 2: Fair values that are determined on the basis of valuation techniques which use inputs that are based on observable market data.

Level 3: Fair values that are determined on the basis of valuation techniques which use inputs that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the date of the event or change in circumstances that caused the transfer.

In June 2017, the shares of Delivery Hero AG were transferred from Level 3 to Level 1 due to the initial public offering of Delivery Hero AG. There were no other transfers between fair value measurement at Level 1, Level 2 and Level 3 in the first half of 2017.

**Change in financial assets measured at fair value (Level 3, by class)**

**First half of 2017**

<i>In EUR thousand</i>	Equity instruments – non-listed companies	Derivative financial assets	Other non- current financial assets measured at fair value	Total
<b>Opening balance as of Jan 1, 2017</b>	<b>1,586,085</b>	<b>2,577</b>	<b>3,627</b>	<b>1,592,289</b>
Additions	17,131	0	0	17,131
Reclassifications <sup>1)</sup>	-1,246,567	0	0	-1,246,567
Changes in fair value recognized in profit or loss	80,975	1,050	1,034	83,059
Changes in fair value recognized in OCI	-3,032	0	0	-3,032
Disposals	-268,575	-153	0	-268,728
<b>Closing balance as of Jun 30, 2017</b>	<b>166,017</b>	<b>3,474</b>	<b>4,661</b>	<b>174,152</b>
Changes in unrealized gains or losses for the period included in profit or loss for assets held at the end of the period	2,248	897	1,034	4,179

<sup>1)</sup> Reclassifications during 2017 relate with EUR 1,246,567 thousand to the initial public offering of Delivery Hero AG. As a result the shares in DH have been reclassified to Level 1 of the measurement hierarchy.

The following table presents the reconciliation of level 3 fair value measurements for the abovementioned non-listed equity instruments classified by geographical location:

<i>In EUR thousand</i>	Equity instruments – non-listed companies			
	Europe	USA	Rest of World	Total
<b>Opening balance as of Jan 1, 2017</b>	<b>1,560,015</b>	<b>21,683</b>	<b>4,387</b>	<b>1,586,085</b>
Additions	12,445	4,184	502	17,131
Reclassifications	-1,246,567	0	0	-1,246,567
Changes in fair value recognized in profit or loss	80,586	-794	1,183	80,975
Changes in fair value recognized in OCI	-3,032	0	0	-3,032
Disposals	-268,388	-187	0	-268,575
<b>Closing balance as of Jun 30, 2017</b>	<b>135,059</b>	<b>24,886</b>	<b>6,072</b>	<b>166,017</b>
Changes in unrealized gains or losses for the period included in profit or loss for assets held at the end of the period	1,860	-794	1,183	2,248

**First half of 2016**

<i>In EUR thousand</i>	Equity instruments – non-listed companies	Derivative financial assets	Other non-current financial assets measured at fair value	Total
<b>Opening balance as of Jan 1, 2016</b>	<b>1,280,541</b>	<b>0</b>	<b>8,692</b>	<b>1.289.233</b>
Additions	10,493	2,405	0	12,899
Reclassifications <sup>1)</sup>	186,894	0	0	186,894
Changes in fair value recognized in profit or loss	-144,889	0	0	-144,889
Changes in fair value recognized in OCI	424	0	0	424
Disposals	-2,365	0	0	-2,365
<b>Closing balance as of Jun 30, 2016</b>	<b>1,331,098</b>	<b>2,405</b>	<b>8,692</b>	<b>1,342,195</b>
Changes in unrealized gains or losses for the period included in profit or loss for assets held at the end of the period	-143,741	0	0	-143,741

<sup>1)</sup> Reclassifications during the first half of 2016 mainly relate with EUR 153,663 thousand to Lazada and with EUR 26,816 thousand to TravelBird which were previously accounted for as associated companies using the equity method.

The following table presents the reconciliation of level 3 fair value measurements for the abovementioned non-listed equity instruments classified by geographical location:

<i>In EUR thousand</i>	Equity instruments – non-listed companies			
	Europe	USA	Rest of World	Total
<b>Opening balance as of Jan 1, 2016</b>	<b>1,229,419</b>	<b>27,927</b>	<b>23,195</b>	<b>1,280,541</b>
Additions	10,262	82	150	10,493
Reclassifications	184,492	2,333	68	186,894
Changes in fair value recognized in profit or loss	-115,061	-15,792	-14,036	-144,889
Changes in fair value recognized in OCI	424	0	0	424
Disposals	-2,365	0	0	-2,365
<b>Closing balance as of Jun 30, 2016</b>	<b>1,307,171</b>	<b>14,550</b>	<b>9,378</b>	<b>1,331,098</b>
Changes in unrealized gains or losses for the period included in profit or loss for assets held at the end of the period	-113,913	-15,792	-14,036	-143,741

#### Change in financial liabilities accounted at fair value through profit and loss (Level 3)

<i>In EUR thousand</i>	2017	2016
<b>Opening balance as of Jan 1</b>	<b>3,779</b>	<b>7,622</b>
Additions	1,535	3,491
Changes in fair value recognized in profit or loss	17	410
Changes in scope of consolidation	-1,535	0
Disposals	-3,779	0
<b>Closing balance as of Jun 30</b>	<b>17</b>	<b>11,523</b>
Changes in unrealized gains or losses for the period included in profit or loss for liabilities accounted at the end of the period	17	410

The profit or loss from changes in fair value is shown in the financial result.

#### Fair value measurement

IFRS 13.9 defines the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The majority of trade receivables, other financial assets, cash and cash equivalents, trade payables and other financial liabilities has short maturities. Thus, the carrying amounts of these instruments approximated their fair values as of the balance sheet date.

The book values of other non-current financial assets and liabilities measured at amortized cost approximate their fair values, as there have been no significant changes in the applicable valuation parameters since these instruments were initially recognized.

The fair value of equity instruments traded on an active market is based on the market price listed on the closing date. The listed market price used for the Group's financial assets is the current bid price.

When determining the fair value of other financial instruments, the method which allows the best estimation of the fair value is selected for each individual case. For assets and liabilities maturing within one year, the nominal value adjusted for interest payments and premiums is assumed to provide a good approximation to fair value.

### **Fair value measurement of non-listed equity instruments**

Rocket Internet's unlisted equity instruments are valued in accordance with IFRS 13 by using the valuation method that is deemed to be most suitable for each individual company.

Firstly, it is considered whether any significant, recent transactions were made at arm's length in the companies (e.g. transaction where shares were issued to a new investor). For new share issues, it is taken into account whether the newly issued shares have better preference to the company's assets than earlier issued shares in the event of sale or liquidation of the company. If preferential rights have a significant impact on the assessment of the respective equity classes, the fair value is determined by using an option pricing model based on the last financing rounds and under consideration of liquidation preferences attached to the respective equity classes as stipulated in the entities' shareholder agreements. The value of such liquidation preferences is dependent on the probability of future exit scenarios. Given that there are multiple classes of equity at the network company level, we employ the hybrid method in order to allocate values to the various equity classes. The hybrid method is a hybrid between the probability-weighted expected return method and the option pricing method, which estimates the probability-weighted value across future exit scenarios, but uses the option-pricing-model to estimate the remaining unknown potential exit scenarios. Relevant valuation inputs include assumptions on the allocation of exit proceeds to share classes in future exit scenarios (liquidation preferences), but also consist of peer group assumptions (stock price volatility), dividend yield (estimated at zero) and the risk-free interest rate at the end of the reporting period. Furthermore, exit scenarios in which liquidation preferences were considered relevant to the fair value were estimated with probability percentages that lie between 0% and 75% (previous year 0% and 75%).

For companies where no or few recent arm's length transactions have been carried out, a valuation is conducted based on future cash flows which are discounted to receive their present value. Inputs used for discounted cash flow (DCF) valuations are business plans, cost of capital plus a risk premium and assumptions used to determine the sales proceeds at the end of the detailed planning phase. Costs of capital are derived based on the capital asset pricing model, where capital market data for peer groups, risk-free interest rates and risk premiums are used. In addition, a risk premium is added to the cost of capital. The risk premium reflects the uncertainty that results from the fact that the companies are still in the start-up or early development phase. The risk-free rate is calculated using the Svensson's method and amounts to 1.25% (previous year 1.00%). Country risk premiums between 0.0% and 14.9% (previous year 0.0% and 14.2%) and a small cap premium of 3.58% (previous year 3.58%) are also applied. Long-term inflation rates

between 0.0% and 14.5% (previous year 1.0% and 20.0%) (with the exception of Venezuela at 4,600% (previous year 4,600%)) are also used in the calculation, as forecast by the International Monetary Fund. For additional risk premiums, surcharges of between 10.3% and 40.0% (previous year 8.0% and 50.0%) are applied, depending on the age and development phase of each company. To determine the sales revenues at the end of the detailed planning phase, sales multiples in the range of 0.4x to 12.6x (previous year 0.8x to 10.7x) and/or EBITDA multiples in the range of 5.7x to 29.9x (previous year 4.7x to 31.6x) are applied. The multiples are derived from comparable transactions or comparable listed companies in the capital market. Other parameters include an estimate of working capital assumptions, tax rates and assumptions for investment activity and depreciation.

**Share price risk**

The Group is exposed to financial risks in respect to share prices, meaning the risk of changes in the value of the shareholdings. Rocket Internet's operations include management of shareholdings (equity instruments) measured at fair value comprising considerable investments in a small number of unlisted companies. Accordingly, Rocket Internet's asset, financial and earnings position is dependent on how well these companies develop. The concentration of the shareholdings leads to a risk that renders it more difficult for Rocket Internet to make major changes in the composition of the shareholdings in a short time. Rocket Internet's strategy is also to be a long-term shareholder. Therefore, there is no strategy for managing short-term fluctuations in share prices.

**Equity instruments measured at fair value through profit or loss**

On June 30, 2017, <1% (previous year 1%) of Rocket Internet's total assets were listed equity instruments and 4% (previous year: 7%) were unlisted equity instruments measured at fair value through profit or loss.

On June 30, 2017, 3% (previous year: 6%) of the total assets were unlisted equity instruments measured based on transaction prices, as well as 1% (previous year: 1%) of the total assets were unlisted equity instruments measured using the DCF method.

**Equity instruments measured at fair value through other comprehensive income (OCI)**

On June 30, 2017, 28% (previous year 0%) of Rocket Internet's total assets were listed equity instruments and <1% (previous year: 31%) were unlisted equity instruments measured at fair value through other comprehensive income.

On June 30, 2017, 0% (previous year 0%) of the total assets were unlisted equity instruments measured using the DCF method, as well as <1% (previous year 31%) of the total assets were unlisted equity instruments measured based on transaction prices.

**Associated companies measured at FVTPL**

The investment made in the first half of 2016 in associated companies accounted for at FVTPL (IAS 28.18) amounted to EUR 500 thousand. No such investments were made during first half of 2017.

### Sensitivity analysis of equity instruments of non-listed companies – Impact of valuation parameters

The effect of change in the critical input factors of the two valuation methods (use of arm's length transactions and DCF valuation technique) on the fair value of non-listed equity instruments measured at fair value through profit or loss is shown in classes (Europe, United States, Rest of World) in the following tables. The sensitivity analysis was carried out for the main input factors: the probability of occurrence for exit scenarios as well as the cost of capital.

Europe <i>In EUR thousand</i>		Cost of capital		
		-20%	0%	+20%
Probability of occurrence for exit scenarios	-20%	135,622	115,684	89,964
	0%	154,997	<b>135,059</b>	109,339
	+20%	170,715	150,778	125,057

United States <i>In EUR thousand</i>		Cost of capital		
		-20%	0%	+20%
Probability of occurrence for exit scenarios	-20%	25,220	23,100	21,557
	0%	27,006	<b>24,886</b>	23,343
	+20%	27,937	25,817	24,274

Rest of World <i>In EUR thousand</i>		Cost of capital		
		-20%	0%	+20%
Probability of occurrence for exit scenarios	-20%	6,589	5,548	5,002
	0%	7,113	<b>6,072</b>	5,525
	+20%	7,507	6,466	5,919

### Derivative financial instruments measured at fair value through profit or loss

The Group concludes derivative financial instruments with different parties, especially with financial institutions with high credit rating (investment grade). Forward exchange contracts are measured on the basis of valuation techniques which use inputs that are based on observable market data. The valuation techniques most frequently used are Forward-Price-Models that use discounted cash flow valuation. Those models include different parameters, e.g. credit worthiness of the business partners, exchange rates, spot rates and forward rates, yield curves of selected foreign currencies, currency spreads between selected foreign currencies, interest yield curves and forward curves of the underlying foreign currencies. As of Jun 30, 2017, the derivative financial instruments measured at market value (marked-to-market) include an allowance for credit worthiness, which relates to the default risk of the counterparty of the derivative financial instrument. The change of the default risk of the counterparty did not have a material impact on the fair value of the recognized financial instruments.



## 11 Contingent Liabilities and other Contractual Obligations

As of the reporting date, as in the previous year, there are no contingencies for external liabilities.

The Group reports other contractual obligations for the following items:

<i>In EUR thousand</i>	<b>Jun 30, 2017</b>	<b>Dec 31, 2016</b>
Rental and lease agreements	84,495	85,951
Loans granted to associated companies	26,733	25,000
Loans granted to third parties	12,733	20,000
Investment obligations to unconsolidated structured entities	95,056	75,399
Capital contribution and investment obligations to associated companies	0	1,600
Other	98	12
<b>Total contractual obligations</b>	<b>219,115</b>	<b>207,961</b>

Capital contribution and investment obligations result from participation agreements concluded prior to the balance sheet date.

The future minimum lease payments under non-cancellable operating lease agreements are as follows:

<i>In EUR thousand</i>	<b>Jun 30, 2017</b>	<b>Dec 31, 2016</b>
Not later than one year	5,950	3,919
Later than one year and not later than five years	30,165	30,636
Later than five years	48,379	51,396
<b>Total operating lease commitments</b>	<b>84,495</b>	<b>85,951</b>

<i>In EUR thousand</i>	<b>Jan 1 - Jun 30, 2017</b>	<b>Jan 1 - Jun 30, 2016</b>
Lease payments during the period	1,959	1,868

The leasing arrangements mainly include office and warehouse rent as well as rental of IT equipment.

As of June 30, 2017, total future sublease payments receivable under the Company's operating subleases amounts to EUR 6,994 thousand (previous year EUR 7,893 thousand).

Contractual obligations (except for leasing) were all payable within one year.

## 12 Significant Balances and Transactions with Related Parties

Related parties are shareholders with significant influence on the Rocket Internet Group, associated companies, joint ventures, non-consolidated subsidiaries and individuals that exercise significant influence on the Group's financial and business policy. Individuals who exercise significant influence on the Group's financial and business policy comprise all individuals in key positions and their close family members. Within Rocket Internet Group this relates to the parent company's members of the Management Board and the Supervisory Board.

### Shareholder with significant influence

Trade name	Company name	Voting rights
Global Founders	Global Founders GmbH, Grünwald (Germany) <sup>1)</sup>	37.1 %

<sup>1)</sup> 33.3 % of the shares in Global Founders GmbH are indirectly held by Oliver Samwer Familienstiftung.

### Transactions with the shareholder with significant influence

No transactions were conducted with Global Founders GmbH in the first half of 2017 and 2016.

### Transactions with associated companies and joint ventures

The transactions in the period January 1 to June 30, 2017 and January 1 to June 30, 2016 and outstanding balances with associates under significant influence of the Group are as follows:

<i>In EUR thousand</i>	Jan 1 - Jun 30, 2017	Jan 1 - Jun 30, 2016
Sales to associates	2,353	5,932
Purchases from associates	-57	-236
Sale of subsidiaries to associates	675	0
Interest income from associates	1,802	2,555
Interest payments to associates	-45	0

<i>In EUR thousand</i>	Jun 30, 2017	Dec 31, 2016
Amounts owed by associates:		
Long-term loan receivables	2,000	2,000
Trade receivables	827	1,613
Other financial receivables (current)	33,737	30,457
Asset backed securities issued by associated companies	7,500	6,000
Derivative financial instruments (warrant)	3,474	2,577
Amounts owed to associates:		
Trade payables	106	27
Liabilities from capital calls	0	1,899
Other financial liabilities (current)	863	524

The transactions in the period January 1 to June 30, 2017 and January 1 to June 30, 2016 and outstanding balances with joint ventures of the Group are as follows:

<i>In EUR thousand</i>	Jan 1 - Jun 30, 2017	Jan 1 - Jun 30, 2016
Sales to joint ventures	1,431	2,096
Purchases from joint ventures	-28	-32
Interest income from joint ventures	10	7
Interest payments to joint ventures	0	-2

<i>In EUR thousand</i>	Jun 30, 2017	Dec 31, 2016
Amounts owed by joint ventures:		
Trade receivables	469	1,005
Other financial receivables (current)	2,494	1,176
Amounts owed to joint ventures:		
Trade payables	58	45
Liabilities from capital calls	19,997	23,333
Other financial liabilities (current)	28	22

### Transactions with members of the key management personnel

In June 2017, members of the Management Board received the following share options under the Stock Option Program 2014 / II (modified by resolution of the annual general meeting on June 2, 2017):

<b>Name</b>	<b>Number</b>
Alexander Kudlich	1,207,320
Peter Kimpel	1,000,000

In June 2017, Norbert Lang (vice-chairmen of the Supervisory Board), through an entity owned by him and his wife, sold convertible bonds of Rocket Internet SE with a principal amount of EUR 2,000 thousand. These convertible bonds were purchased in January 2016. The convertible bonds mature in July 2022 and have an interest rate of 3% per annum payable semi-annually on January 22 and July 22. As of December 31, 2016, the carrying amount of the liabilities from convertible bonds held by Norbert Lang totaled EUR 1,907 thousand. In February 2017, Norbert Lang, purchased shares of Rocket Internet SE with an aggregated volume of EUR 920 thousand at a share price of EUR 18.40. In June 2017, the entity owned by Norbert Lang and his wife, purchased shares of Rocket Internet SE with an aggregated volume of EUR 963 thousand at a share price of EUR 19.27.

Other related party transactions in the first half of 2017 are of the same character as the transactions described in the Consolidated Financial Statements 2016.

### Transactions with close family members of the Management Board

In the first half of 2017, the Group incurred cost of EUR 0 thousand (previous period EUR 18 thousand) for reimbursement of travel costs charged by Marc Samwer based on a consulting agreement. As of June 30, 2017, there were no liabilities against Marc Samwer (previous period EUR 9 thousand).

### 13 Events after the Reporting Period

On July 28, 2017, the Group sold 4,834,408 shares of Delivery Hero based on the greenshoe option granted in conjunction with the IPO of Delivery Hero.

On August 14, 2017, Rocket Internet announced to carry out a share buy-back program with a total maximum consideration (excluding ancillary costs) of up to EUR 100 million and a maximum volume of up to 5,000,000 shares, representing a maximum of up to 3.03% of the outstanding share capital of Rocket Internet. The buy-back started on August 14, 2017 and will end on April 30, 2018. The repurchased shares are intended to be redeemed, and Rocket Internet's share capital is intended to be reduced accordingly. Until September 27, 2017, the Group repurchased 8,051 shares at a volume-weighted average price of EUR 18.63.

No other events of special significance occurred after the end of the reporting period.

### 14 Authorization of the Financial Statements for Issue

The Management Board authorized the issue of the interim condensed consolidated financial statements on September 27, 2017.

Berlin, September 27, 2017

The Management Board

Oliver Samwer

Peter Kimpel

Alexander Kudlich

# ROCKET INTERNET

**Interim Group Management Report  
for the Period Ended June 30, 2017**

**Rocket Internet SE, Berlin**

*Non-binding convenience translation from German*

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## **1. Fundamentals of the Group**

Rocket Internet SE, hereinafter also referred to as “Rocket Internet“, the “Company“ or “parent Company“, is registered in the commercial register Charlottenburg of the district court in Berlin (Registration No.: HRB 165662). The registered office of Rocket Internet SE is at Charlottenstraße 4, 10969 Berlin, Germany.

Rocket Internet SE is the parent company of directly and indirectly held subsidiaries and directly or indirectly holds interest in associated companies and joint ventures (hereinafter together also referred to as the “Rocket Internet Group“ or the “Group“).

The shares of Rocket Internet SE are admitted to trading in the Prime Standard (the regulated market segment with additional post-admission obligations) of the Frankfurt Stock Exchange and are included in the SDAX index.

Subsidiaries, associated companies, joint ventures as well as the other companies in which the Group holds equity interests herein are summarized as “network companies”.

This Interim Group Management Report should be read in conjunction with the Interim Condensed Consolidated Financial Statements, including the Notes to the Interim Condensed Consolidated Financial Statements. The Interim Condensed Consolidated Financial Statements have been prepared on the basis of a number of assumptions and accounting policies explained in greater detail in the respective Notes of the Consolidated Financial Statements as of December 31, 2016. The Interim Group Management Report contains forward-looking statements about the business, financial condition and earnings performance. These statements are based on assumptions and projections based on currently available information and present estimates. They are subject to a multitude of uncertainties and risks. Actual business development may therefore differ materially from what has been expected. Beyond disclosure requirements stipulated by law, Rocket Internet SE does not assume any obligation to update forward-looking statements.

The Interim Group Management Report for the first half year 2017 is presented in million euros (EUR million) except where otherwise indicated. Unless otherwise indicated, all values are rounded up or down in accordance with a commercial rounding approach, which may result in rounding differences, and percentage figures presented may not exactly reflect the absolute figures they relate to.

The reporting period is January 1 to June 30, 2017. If not otherwise stated comparative figures for the balance sheet are as of December 31, 2016 and comparative figures for the Statement of Comprehensive Income and the Statement of Cash Flows are for the interim period January 1 to June 30, 2016.

The general statements made in the Combined Management Report 2016 on the business activities, legal structure of the Group, major brands of the company network, the strategy of the Group, on research and development as well as performance system essentially still apply at the time this interim report was issued for publication.

Detailed, up-to-date information on the strategy and the major network companies of Rocket Internet and the shareholder structure can be found on the website of the parent company: [www.rocket-internet.com](http://www.rocket-internet.com).

## 2. Economic Report

### 2.1 General Economic Conditions

According to the International Monetary Fund's (IMF) "World Economic Outlook Update" published in July 2017 global economic activity is picking up with a long-awaited cyclical recovery in investment, manufacturing and trade. The world economy gained speed in the fourth quarter of 2016 and the momentum is expected to persist. Stronger activity, expectations of more robust global demand, reduced deflationary pressures and optimistic financial markets are all upside developments. But binding structural impediments continue to hold back a stronger recovery and the balance of risks remains tilted to the downside, especially over the medium term. Activity is projected to pick up markedly in emerging markets and developing economies because conditions in commodity exporters experiencing macroeconomic strains are gradually expected to improve, supported by the partial recovery in commodity prices, while growth is projected to remain strong in China and many other countries which are commodity importers. Adjusting to lower commodity revenues and addressing financial vulnerabilities remain key challenges for many emerging market and developing economies. In line with stronger-than-expected momentum in the second half of 2016, the forecast envisages a stronger rebound in advanced economies. The cyclical rebound could be stronger and more sustained in Europe, where political risk has diminished. Monetary policy normalization in some advanced economies, notably the United States, could trigger a faster-than-anticipated tightening in global financial conditions. With persistent structural problems, such as low productivity growth and high income inequality, pressures for inward-looking policies are increasing in advanced economies. These threaten global economic integration and the cooperative global economic order that has served the world economy, especially emerging market and developing economies. Noneconomic factors include geopolitical tensions as well as domestic strife. Idiosyncratic political problems have been on the rise in recent years, burdening the outlook for various regions. Most notable are the civil wars and domestic conflicts in parts of the Middle East and Africa, the tragic plight of refugees and migrants in neighboring countries and in Europe, and acts of terror worldwide.

### 2.2 Sector-Specific Conditions

#### Venture Capital Market in Germany

The statements made in the Combined Management Report 2016 still apply at the time this interim report was issued for publication.

After the weak year 2016 with only eight new listings, around ten initial public offerings (IPOs) are expected in Germany in 2017. Since the first half of 2017, there were five new companies on the stock exchange (including Delivery Hero) with total proceeds of approximately EUR 1.4 billion. Globally, it was the best first half year for IPOs since 2007. Good economic outlooks and record levels of international stock markets increased the number of IPOs in the first half year of 2017 by 70% compared to the previous year period to 772. The global proceeds rose by 90% to USD 83.4 billion.



### General Sector Trends

The statements made in the Combined Management Report 2016 still apply at the time this interim report was issued for publication.

Currently, high investments in online food retailing (OFR) can be observed. The eCommerce share of online food retailing is currently low, especially compared to other categories such as electronics and fashion. However, due to its size, the market offers attractive growth potentials. For example, an increase in the online share of food retailing to only one percentage point in Germany would generate an additional sales volume of approximately EUR 1.9 billion in eCommerce.

### Situation in the Specific Regions

For the consolidated subsidiaries of Rocket Internet Group as well as for several important associated companies, the region Europe (excluding Russia and other CIS countries) is of particular importance in the first half of 2017. In other regions, the Rocket Internet Group is mainly represented through its associated companies and joint ventures. There is also a growing number of GFC investments that are located in the United States. During the first half of 2017 the Group invested in nine companies in the United States and made further four follow-on investments.

The International Monetary Fund (IMF) revised its growth forecasts for the following regions and economies in its World Economic Outlook Update (WEO) dated July 2017.

Among advanced economies, the IMF forecasts growth of 2.0% for the entire group, a growth of 1.7% for the United Kingdom (up 0.2 percentage points compared to the beginning of the year). In the euro area, the IMF also upgraded its expectations during the first six months by 0.3 percentage points to 1.9%, whereby the outlook for Germany was raised by 0.3 percentage points to 1.8%, for France by 0.2 percentage points to 1.5%, for Spain by 0.8 percentage points to 3.1%, and for Italy by 0.6 percentage points to 1.3%. Whereas the IMF downgraded its outlook for the USA by 0.2 percentage points to 2.1%, the forecasts for Canada were raised by 0.6 percentage points, to 2.5%.

Emerging and developing economies are projected to see a sustained pickup in activity, with growth rising from 4.3% in 2016 to 4.6% in 2017 and 4.8% in 2018. The growth is primarily driven by commodity importers, but its pickup reflects to an important extent gradually improving conditions in large commodity exporters that experienced recessions in 2015/2016, in many cases caused or exacerbated by declining commodity prices.

In Emerging and Developing Europe, growth is projected to pick up in 2017, primarily driven by a higher growth forecast for Turkey, where exports recovered strongly in the last quarter of 2016 and the first quarter of 2017 following four quarters of moderate contraction, and external demand is projected to be stronger with improved prospects for euro area trading partners. The Russian economy is projected to recover gradually in 2017 and 2018.

After contracting in 2016, economic activity in Latin America is projected to recover gradually in 2017/2018 as a few countries - including Argentina and Brazil - exit their recessions. Mexico's growth forecast for 2017 is revised up from 1.7% to 1.9% on the back of strong activity in the first quarter of the year, with an unchanged forecast for 2018. Revisions for the rest of the region are mostly to the downside, including a further deterioration of conditions in Venezuela.

Growth in the Middle East, North Africa, Afghanistan, and Pakistan region is projected to slow considerably in 2017, reflecting primarily a slowdown in activity in oil exporters, before recovering in 2018. The recent decline in oil prices, if sustained, could weigh further on the outlook for the region's oil exporters.

In Sub-Saharan Africa, the outlook remains challenging. Growth is projected to rise in 2017 and 2018, but will barely return to positive territory in per capita terms this year for the region as a whole - and would remain negative for about a third of the countries in the region. The slight upward revision to 2017 growth relative to the April 2017 WEO forecast reflects a modest upgrading of growth prospects for South Africa, which is experiencing a bumper crop due to better rainfall and an increase in mining output prompted by a moderate rebound in commodity prices. In Nigeria, economic activity is now projected to grow 0.8% in 2017 after contracting in 2016 (-1.6%).

## **2.3 Course of Business**

The execution of Rocket Internet's strategy to expand existing significant Selected Companies, to build new and existing business models and to invest in existing and new businesses was continued in the first half year of 2017.

In June 2017, Delivery Hero (DH) successfully completed its IPO raising approximately EUR 465 million (net proceeds) in primary capital. The shares were sold at the upper end of the price range at price at EUR 25.50 per share. The market capitalization of Delivery Hero amounted at the IPO to EUR 4.4 billion. Due to sale of shares and capital increases at DH the participation quota of the Group decreased to 28.6% in the first half 2017. The Group held a share of approximately 40% of DH at the beginning of the year. The sales of DH shares contributed a realized gain of EUR 38.3 million to the financial result of the Group.

In June 2017, Rocket Internet sold its remaining 8.8% stake (fully-diluted) in Lazada Group S.A. ("Lazada") to Alibaba Group Holding Limited ("Alibaba") for USD 276 million, equating to an implied USD 3.2 billion valuation of Lazada. Already in April 2016, Rocket Internet divested half of its stake in Lazada to Alibaba. The transaction in the first half of 2017 is the result of the exercise of the put-call agreement entered into in conjunction with the sale in April 2016. The sale of Lazada shares contributed a realized gain of EUR 74.6 million to the financial result of the Group.

Most of Rocket Internet SE's network companies in the four key focus sectors showed two digit revenue growth in the first half of 2017 as compared to the first half of 2016, particularly HelloFresh (49%), Delivery Hero (94% including foodpanda from 2017), Jumia (14%) and GFG (12%). Furthermore they showed an improvement of the adjusted EBITDA margin, particularly HelloFresh, GFG as well as the Home & Living companies Westwing and Home24.

In January 2017, HelloFresh concluded a financing round of EUR 85.7 million previously announced on December 19, 2016. The financing round implied a valuation of HelloFresh prior to the capital increase ("pre-money") of EUR 2.0 billion. Rocket Internet's share of HelloFresh fell slightly from approximately 56% to approximately 53%.

In May 2017, Global Fashion Group announced a strategic partnership with Emaar Malls PJSC, Dubai (a subsidiary of Emaar Properties PJSC, Dubai) which was closed in the third quarter 2017. Under the partnership, Emaar Malls acquires a 51% stake in Namshi for a

consideration of USD 151 million including an investment in Namshi for its future growth.

The first half of 2017 continued to be characterized by selective sales and discontinuance of subsidiaries. During this period, Rocket Internet sold Rocket Labs and sparks42 as part of its strategy to sell non-core businesses. Furthermore, Zenrooms Brazil and Clickbus Colombia, whose business activities were assessed to be no longer viable, were fully discontinued.

The Rocket Internet Capital Partners Fund (RICP) held its final close on January 18, 2017 which took total combined commitments to USD 1.0 billion (hard cap). The USD 137 million new commitments were subscribed by third party investors and Rocket Internet.

The program for the partial repurchase of the convertible bonds, concluded in February 2016, was continued in the first half of 2017. In total, the Group repurchased convertible bonds with a nominal value of EUR 236.4 million as of June 30, 2017, representing 43% of the initial total nominal value of EUR 550.0 million.

EBITDA of the Group improved significantly from EUR -461.4 million in the first half of 2016 by EUR 336.6 million to EUR -124.8 million in the first half of 2017. This improvement was mainly due to decreased negative share of profit/loss of associates and joint ventures as well as decreased other operating expenses which is partially offset by a lower result from deconsolidation of subsidiaries, an increase in employee benefits expenses and a decrease in revenue.

The Group's average EBITDA margin of subsidiaries in the area of New Businesses (formerly New Businesses & Investments) which were fully consolidated in the Rocket Internet Group in the first half of 2017, has slightly deteriorated and continues to be strongly negative.

Cash and cash equivalents of the Group including balances in assets classified as held for sale amount to EUR 1,592.4 million as of June 30, 2017 (previous year EUR 1,401.7 million). The increase of the cash and cash equivalents of the Group is mainly caused by the positive cash flows from investing activities which amounted to EUR 298.9 million, negative cash flows from financing activities which amounted to EUR -33.1 million and negative cash flow from operating activities which amounted to EUR -65.2 million.

Overall, the loss for the period amounted to EUR 27.2 million (previous year loss of EUR 617.3 million). The total comprehensive gain net of tax for the first half of 2017 amounted to EUR 181.9 million (previous year period loss of EUR 598.8 million).

In line with the previous year report's forecast for the financial year 2017, the international expansion of our companies has continued accompanied by the development and acquisition of various new business models. During the first half of 2017, the Group invested into 25 new GFC investments and made follow-on investments in 28 companies. In contrast to the forecast, no new network companies with new business models were included in the scope of consolidation of the Group apart from the acquisition of the subsidiary Holidays & Co. S.A.S. ([www.camping-and-co.com](http://www.camping-and-co.com)). Furthermore, non-viable operations were discontinued and non-core businesses sold. The number of fully consolidated companies fell by 17% from 125 to 104 and did not remain stable, unlike the forecast for the year 2017 in the Combined Management Report for 2016.

The forecasted slight increase of Group revenue for the financial year 2017 has not occurred yet in the first half of 2017. Contrary to expectations, the Group revenue for all

New Businesses fell from EUR 11.9 million in the first half of 2016 by 33% to EUR 8.0 million in the first half of 2017.

The previous year report's forecast for the financial year 2017 of a significant increase in consolidated revenue of New Businesses for those companies that continued to be fully consolidated after December 31, 2016, has not been realized in the first half year 2017. In contrast to the forecast, New Businesses which continued to be consolidated as of June 30, 2017 have shown a slight growth in revenues. Especially, Carspring in the UK showed a significant decrease in revenues which was not expected. Overall, due to deconsolidations and closings, revenues from New Businesses decreased. The area of New Businesses realized a negative EBITDA and thus contributed to the projected negative EBITDA of the Rocket Internet Group.

The result from deconsolidation of subsidiaries in the first half of 2017 in the amount of EUR 4.3 million (previous year EUR 30.4 million) has decreased significantly as it had been forecasted for the total year 2017 in the Combined Management Report 2016.

In line with the previous year report's forecast for the financial year 2017, the result from associates and joint ventures was substantial negative. In the first half of 2017, the Group's share of profit/loss from associates and joint ventures including adjustments made by the Group using the Equity method as well as gains from deemed disposals amounts to EUR -73.0 million (previous year EUR -96.9 million). Furthermore, the Group also recorded significantly lower impairment losses (net balance of losses and reversals) of EUR 20.7 million (previous year: EUR 471.3 million). In the first half of 2017, there were no gains from the disposal of associates and joint ventures (previous year: EUR 98.1 million). In total, the share of profit/loss from associates and joint ventures improved by EUR 376.3 million from EUR -470.1 million to EUR -93.8 million.

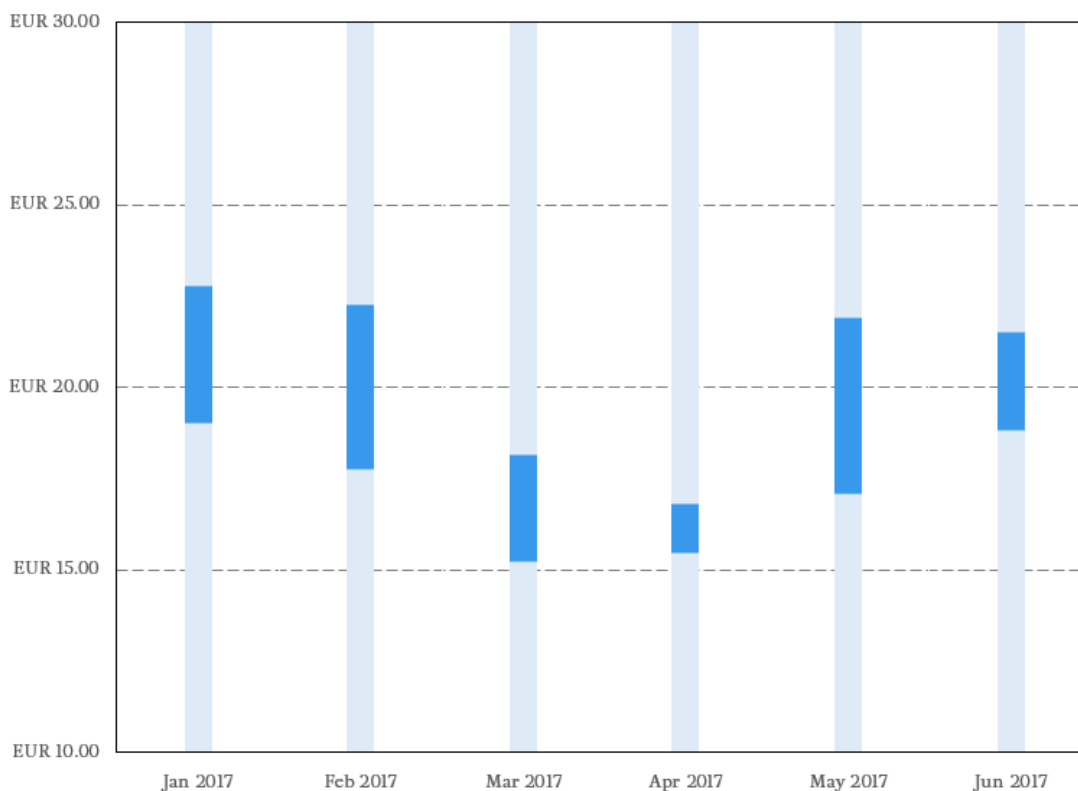
According to the forecast in the Combined Management Report 2016 for the total year 2017, the EBITDA of the Group improved by EUR 336.6 million from EUR -461.4 million in the first half of 2016 to EUR -124.8 million in the first half of 2017.

As projected for the financial year 2017, investments in the RICP fund were increased in the first half of 2017. Investments in the larger network companies that are part of the segments decreased as projected.

## 2.4 Rocket Internet Share

In the first half of 2017, the share price of Rocket Internet SE decreased by EUR 0.31 from EUR 19.14 as of December 31, 2016 to EUR 18.83 as of June 30, 2017. Accordingly, the market capitalization changed from about EUR 3.2 billion to about EUR 3.1 billion.

The development of the highs and lows of Rocket Internet’s share price was as follows in the first half of 2017:



In the first half of 2017, average daily trading via the electronic computer trading system XETRA recognized on average 451,000 shares (previous year 204,000 shares) with an average value of EUR 8.6 million (previous year EUR 4.4 million) traded daily.

In the first half of 2017, Kinnevik placed all of its shares (13.2% of the outstanding shares of Rocket Internet) in two transactions increasing the free float to 36.0% from previous 22.8%.

### 3. Position of the Group

#### 3.1 Earnings Position

*General remark on earnings position of the Group*

Driven by the business model of Rocket Internet, the earnings position can vary substantially from year to year, which can be demonstrated by the actual performance of the Group in the financial years 2013 – 2016:

In EUR million	Jan 1-Dec 31, 2016	Jan 1-Dec 31, 2015	Jan 1-Dec 31, 2014	Jan 1-Dec 31, 2013
Revenue	50.4	128.3	128.2	99.8
Result from deconsolidation of subsidiaries	48.3	167.0	452.6	0.0
Share of profit/loss of associates and joint ventures	-539.6	-188.6	75.1	1,449.0
EBITDA	-565.3	-200.8	424.4	1,317.8
Financial result	-168.0	29.7	12.0	91.8
Loss/profit for the period	-741.5	-197.8	428.8	1,395.6
Other comprehensive income for the period, net of tax	118.3	36.4	78.2	9.2
Total comprehensive income/loss for the period, net of tax	-623.2	-161.4	507.0	1,404.8
Earnings per share (in EUR) – basic = diluted	-4.22	-1.24	3.24	11.93

*Earnings position of the Group during the reporting period*

In EUR million	First half of 2017	First half of 2016
Revenue	18.0	28.6
Internally produced and capitalized assets	0.0	2.3
Other operating income	0.6	0.4
Result from deconsolidation of subsidiaries	4.3	30.4
Purchased merchandise and purchased services	-8.1	-11.6
Employee benefits expenses	-31.9	-12.3
Other operating expenses	-13.9	-29.1
Share of profit/loss of associates and joint ventures	-93.8	-470.1
<b>EBITDA</b>	<b>-124.8</b>	<b>-461.4</b>
Impairment of non-current assets, depreciation and amortization	-1.3	-2.1
Financial result	96.8	-157.1
Income taxes	2.1	3.3
<b>Loss for the period</b>	<b>-27.2</b>	<b>-617.3</b>
Other comprehensive income for the period, net of tax	209.1	18.4
<b>Total comprehensive income/loss for the period, net of tax</b>	<b>181.9</b>	<b>-598.8</b>
Earnings per share (in EUR) – basic = diluted	-0.15	-3.53

Revenue was structured as follows:

In EUR million	First half of 2017		First half of 2016	
New Businesses	8.0	44%	11.9	42%
Other services	10.0	56%	16.7	58%
<b>Total</b>	<b>18.0</b>	<b>100%</b>	<b>28.6</b>	<b>100%</b>

The decline in revenues of the New Businesses in the first half of 2017 is due to deconsolidation of subsidiaries (such as La Nevera Roja, Clickbus Brazil, Somuchmore, Spotcap, Bonnyprints, Vaniday, Pizzabo, ZipJet, Bonativo, SpaceWays). The revenues from other services are comprised mainly of income from consulting services performed for network companies. The decrease primarily results from transfer of functions and employees from Rocket Internet to non-consolidated network companies as well as from disposals, discontinuations and reduced operations of non-consolidated network companies.

Of the total consolidated revenues, 52% were generated in Germany (previous year 43%), 24% in the United Kingdom (previous year 22%), 9% in Luxembourg (previous year 8%), 3% in Latin America (previous year 5%) and 12% in the rest of world (previous year 22%).

The result from deconsolidation of subsidiaries in the amount of EUR 4.3 million (previous year EUR 30.4 million) mainly originated from the deemed disposal of ZipJet. In the first half of 2016 the result from deconsolidation primarily comprised the gain from the deconsolidation of Spotcap (EUR 13.4 million), Clickbus Brazil (EUR 12.7 million) and from the disposal of Bonnyprints (EUR 2.3 million).

The cost of purchased merchandise and purchased services decreased by 30% from EUR 11.6 million to EUR 8,1 million. The decrease is mainly due to the deconsolidation of subsidiaries.

Employee benefits expenses which amounted to EUR 31.9 million (previous year EUR 12.3 million) included the current remuneration as well as expenses arising from equity-settled and cash-settled share-based payments. The significant increase by EUR 19.6 million results from the following:

<b>Employee benefits expense reconciliation</b>	<b>Impact on expense in EUR million</b>
Reduced expenses for salaries, bonuses and social security due to decreased average number of own staff employed by consolidated companies mainly driven by the deconsolidation of subsidiaries as well as the reduction of expenses for freelancers and temporary agency workers	-9.7
Revaluation of liabilities for cash-settled share-based payments and other incentives mainly driven by the increase in fair value of the underlying equity instruments (e.g. Zalando, Global Fashion Group)	23.1
Increase of expenses for equity-settled share-based payments mainly driven by front-loading recognition of expenses (graded vesting)	6.3
<b>Total</b>	<b>19.6</b>

Other operating expenses mainly include rental costs as well as expenses for office and IT infrastructure (EUR 3.9 million, previous year EUR 4.0 million), advertising and marketing expenses (EUR 2.1 million, previous year EUR 4.7 million), legal and consultancy costs (EUR 1.5 million, previous year EUR 12.4 million) and expenses for external services (EUR 1.1 million, previous year EUR 1.1 million). The higher legal and consultancy costs in the first half of 2016 result mainly from the RICP.

The share of profit/loss from associates and joint ventures is overall negative and amounts to EUR -93.8 million (previous year EUR -470.1 million). The significant increase by EUR 376.3 million results from the following:

<b>Share of profit/loss from associates and joint ventures reconciliation</b>	<b>Impact on result in EUR million</b>
Increased Group's share of profit/loss from associates and joint ventures including adjustments made by the Group using the Equity method and gains from deemed disposals	23.8
Decrease of impairment losses (net balance of losses and reversals)	450.6
Reduction of gains from disposal	-98.1
<b>Total</b>	<b>376.3</b>

On the one hand the share of profit/loss from associates and joint ventures in the first half of 2017 of EUR -93.8 million results from positive effects arising from the reversal of impairment losses of Global Fashion Group and the financing round of HelloFresh. On the other hand, these positive effects are offset by proportionate operating and impairment losses attributable to other associated companies and joint ventures. A total gain of EUR 21.2 million is attributable to the Global Fashion Group, of which EUR 33.8 million relates to impairment reversals and EUR 12.6 million to proportionate operating losses. A gain of EUR 11.0 million was recorded for HelloFresh, which includes both proportionate operating losses and positive effects from the financing round of HelloFresh (deemed disposal). At Group level impairment losses attributable in particular to Middle East Internet Group (EUR 33.6 million) and Asia Pacific Internet Group (EUR 32.3 million) were recognized. Additionally, the share of profit/loss from associates and joint ventures includes the proportionate share of operating losses from Traveloka (EUR 22.4 million), Jumia (EUR 10.4 million), Asia Pacific Internet Group (EUR 9.4 million) Middle East Internet Group (EUR 7.7 million) and Westwing (EUR 5.9 million).

The negative share of profit/loss of associates and joint ventures of EUR 470.1 million in the first half of 2016 was primarily attributable to the proportionate share of loss from Global Fashion Group (EUR 357.3 million) of which EUR 334.2 million related to impairment losses recognized by Global Fashion Group. Additionally, Rocket Internet recognized on the Group level further impairment losses related to shares of Global Fashion Group of EUR 25.7 million. Other impairment losses recognized on Group level in the first half 2016 included Linio (EUR 58.7 million), Lendico (EUR 19.5 million), Helping (EUR 12.4 million), Nestpick (EUR 8.5 million) and Zanui (EUR 7.0 million). Lazada contributed a total gain of EUR 75.1 million in the first half of 2016. This amount included regular equity method proportionate losses amounting to EUR 18.1 million and a disposal gain of EUR 93.2 million, which included both, a gain relating to the shares sold as well as a fair value gain due to the revaluation of the interest retained. Furthermore, the share of profit/loss from associates and joint ventures included losses attributable to HelloFresh of EUR 21.0 million and to foodpanda of EUR 16.3 million.



EBITDA of the Group improved significantly from EUR -461.4 million in the first half of 2016 by EUR 336.6 million to EUR -124.8 million in the first half of 2017. This improvement was mainly due to decreased negative share of profit/loss of associates and joint ventures as well as decreased other operating expenses which is partially offset by a lower result from deconsolidation of subsidiaries, an increase in employee benefits expenses and a decrease in revenue.

Financial result of EUR 96,8 million (previous year EUR -157.1 million) primarily includes net changes (gains and losses) in fair value of equity instruments accounted for at fair value through profit or loss of EUR 86,7 million (previous year EUR -158.4 million), other comprehensive income reclassified to profit or loss ("OCI recycling") from the partial sale of Delivery Hero shares amounting to EUR 38.3 million (previous year EUR 0.0 million), net foreign exchange losses that relate to loans as well as to cash and cash equivalents of EUR 20.9 million (previous year gain of EUR 0.1 million) and interest expense from convertible bonds of EUR 6.6 million (previous year EUR 10.5 million). The net changes in fair value of equity instruments accounted for at fair value through profit or loss of EUR 86.7 million particularly include Lazada amounting to EUR 74.6 million.

Other comprehensive income for the period, net of tax to be reclassified to profit or loss in subsequent periods in the amount of EUR 209.1 million (previous year EUR 18.4 million) mainly includes the net gain on available-for-sale financial assets of EUR 220,0 million (previous year EUR 0,4 million) which refers almost exclusively to Delivery Hero. Furthermore it includes the share of the changes in the net assets of associates/joint ventures amounting to EUR -9.0 million (previous year period EUR 17.8 million).

### 3.2 Financial Position

In EUR million	First half of 2017	First half of 2016
Cash flow from operating activities	-65.2	-51.8
Cash flows from investing activities	298.9	35.9
Cash flows from financing activities	-33.1	-69.5
Net change in cash and cash equivalents	200.6	-85.4
Net foreign exchange difference	-9.9	-0.6
Cash and cash equivalents at the beginning of the period	1,401.7	1,768.6
<b>Cash and cash equivalents at the end of the period</b>	<b>1,592.4</b>	<b>1,682.5</b>

Due to foreign exchange differences, cash and cash equivalents of the Group decreased by EUR 9.9 million (previous year decrease by EUR 0.6 million).

The negative cash flow from operating activities is typical for the industry and is mainly attributable to the start-up losses incurred by consolidated subsidiaries. The higher cash outflows in the first half of 2017 compared to the first half of 2016 are primarily due to the first-time acquisition of operating financial assets and the higher payouts for cash-settled share-based payments. These negative effects were partially offset by the deconsolidation of subsidiaries, the higher interest payments on loans granted and the decrease in cash outflows for the interest on the convertible bond.

The cash flows from investing activities consist on the one hand of the cash-outflows for the Group's acquisitions of non-consolidated equity investments and the participation in financing rounds of network companies. In total, payments in the amount of EUR 44.1 million (previous year EUR 14.2 million) were made for acquisitions of non-consolidated companies and of EUR 1.5 million, net of cash acquired (previous year EUR 0.0 million), for acquisitions of consolidated companies. On the other hand, investing activities contain the cash-inflows from the sale of subsidiaries as well as from the sale of non-consolidated equity investments. In total, the Group received in the first half 2017 EUR 312.2 million (previous year EUR 210.5 million) in cash for the sale of subsidiaries and non-consolidated equity investments, which mainly relates to the sale of Lazada and Delivery Hero. Cash paid in connection with short-term financial management of cash investments in the amount of EUR 32.7 million (previous year EUR 144.3 million) mainly relates to short-term loans granted to associated companies and joint ventures as well as to other network companies. The cash flows from investing activities also include cash received in connection with short-term financial management of cash investments in the amount of EUR 24.3 million (previous year EUR 0.3 million) that relates to the repayments of short-term loans to associates, joint ventures and other network companies. Furthermore, an amount of EUR 0.3 million (previous year EUR 4.0 million) was invested in property, plant and equipment and intangible assets in the reporting period. In the course of changes in scope of consolidation, the Group's cash position decreased by EUR 1.9 million (previous year decrease of EUR 9.4 million). In the first half of 2017, cash from long-term loans granted to network companies in the amount of EUR 55.0 million (previous year EUR 0.0 million) was also received.

Cash flows from financing activities include the cash-outflows for the repurchase of convertible bonds at the level of the parent company in the amount of EUR 37.0 million (previous year EUR 69.4 million). Moreover, during the first half of 2017, the Group received payments from non-controlling shareholders in the course of the equity capital increases at the level of consolidated subsidiaries totaling EUR 1.6 million (previous year EUR 1.1 million). During the reporting period, no dividend payments were paid to non-controlling shareholders of a consolidated subsidiary (previous year EUR 2.1 million). In the first half of 2017, consolidated subsidiaries received loans in the amount of EUR 2.6 million (previous year EUR 1.1 million).

The Group continues to be very well funded, with available cash and cash equivalents of EUR 1,592.4 million as of June 30, 2017 (previous year EUR 1,401.7 million). In addition to cash and cash equivalents, the Group had short-term bank deposits of EUR 154.0 million as of June 30, 2017 (previous year EUR 163.4 million).

The Group has fulfilled its payment obligations at all times.

### 3.3 Asset Position

In EUR million	Jun 30, 2017		Dec 31, 2016	
<b>Assets</b>				
Non-current assets	2,221.1	51 %	2,385.6	57%
Current assets	2,103.9	49 %	1,631.6	39%
Assets classified as held for sale	0.0	0 %	167.4	4%
<b>Total</b>	<b>4,325.0</b>	<b>100 %</b>	<b>4,184.6</b>	<b>100%</b>
<b>Equity and Liabilities</b>				
Equity	3,938.8	91 %	3,745.0	90%
Non-current liabilities	311.0	7 %	342.6	8%
Current liabilities	75.2	2 %	96.5	2%
Liabilities directly associated with assets classified as held for sale	0.0	0 %	0.3	0%
<b>Total</b>	<b>4,325.0</b>	<b>100 %</b>	<b>4,184.6</b>	<b>100%</b>

The Group's largest asset items are non-current available-for-sale financial assets (29% of the balance sheet total; previous year 31% of the balance sheet total), shares in associates and joint ventures accounted for pursuant to the equity method (18% of the balance sheet total; previous year 20% of the balance sheet total), other non-current financial assets (5% of the balance sheet total; previous year 6% of the balance sheet total) and cash and cash equivalents (37% of the balance sheet total; previous year 33% of the balance sheet total).

Non-current assets went down from EUR 2,385.6 million by EUR 164.5 million to EUR 2,221.1 million. The non-current financial assets decreased from EUR 1,542.1 million by EUR 92.1 million to EUR 1,450.0 million. The main causes for the decline are the disposal of shares of Delivery Hero as well as the early redemption of non-current loans. These were partly offset by the share price increase in Delivery Hero and investments in new and existing GFC equity instruments. The decline of investments in joint ventures from EUR 308,3 million by EUR 95,7 million to EUR 212.6 million mainly results from impairments at Middle East Internet Group (EUR 33.6 million) and Asia Pacific Internet Group (EUR 32.3 million) as well as the proportionate losses of Jumia (EUR 10.4 million). In contrast, the increase in investments in associates from EUR 529.1 million by EUR 16.2 million to EUR 545.4 million results from the reversal of impairment of Global Fashion Group and positive effects from the financing round of HelloFresh. The increase of intangible assets from EUR 2.1 million by EUR 6.9 million to EUR 9.0 million was mainly attributable to the acquisition of the subsidiary Holidays & Co. S.A.S. ([www.camping-and-co.com](http://www.camping-and-co.com)).

Current assets increased from EUR 1,631.6 million by EUR 472.3 to EUR 2,103.9 million. The change is mainly due to the increase in other current financial assets from EUR 216.3 million by EUR 279.0 million to EUR 495.4 million which is mainly related to transactions in connection with Delivery Hero's IPO. On the one hand, as of June 30, 2017 there were receivables from the sale of shares of Delivery Hero on June 29, 2017. On the other hand, the Group agreed to deliver 5,092,500 Delivery Hero shares to syndicate banks in charge of Delivery Hero's IPO as securities loan for the placement of over-allotment shares (Greenshoe option); those shares were recognized as current

financial assets. Furthermore cash and cash equivalents increased in the first half 2017 (EUR 1,592.4 million; prior year 1,401.0 million). More details regarding the liquidity can be found in section 3.2.

As of December 31, 2016, assets classified as held for sale mainly consisted of shares in Lazada that were sold completely in June 2017.

Consolidated total equity increased from EUR 3,745.0 million by EUR 193.8 million to EUR 3,938.8 million. The increase is attributable to the positive comprehensive income for the first half of 2017 of EUR 181.9 million consisting of the loss for the period (EUR -27.2 million) and other comprehensive income, net of tax (EUR 209.1 million). Other changes in equity result from the increase of the reserves for equity-settled share-based payments, proceeds from non-controlling interests and changes in scope of consolidation.

Non-current liabilities decreased from EUR 342.6 million by EUR 31.6 million to EUR 311.0 million. The decrease is mainly due to the decreased liabilities from convertible bonds from EUR 332.6 million by EUR 36.3 million to EUR 296.4 million because of the partial buyback of the convertible bonds.

Current liabilities decreased from EUR 96.5 million by EUR 21.4 million to EUR 75.2 million. The decrease mainly results from the decrease of liabilities from cash-settled share-based payments as well as from the partial settlement of the liability for capital calls in connection with the acquisition of shares in Jumia. An offsetting effect is the negative fair value of the Greenshoe option agreed in connection with Delivery Hero's IPO.

### **3.4 Key Developments of Reportable Segments**

As of June 30, 2017 the reportable segments HelloFresh, GFG, Jumia and Home & Living reflect the most mature business activities of Rocket Internet. The segment information is presented on a 100% basis (i.e. 100% of the revenues, segment results and cash and cash equivalents). The figures presented in this section have been taken or derived from the Segment Information.

Comparability of the reportable segments in the first half of 2017 with the prior period is affected by the following transactions:

- On September 30, 2016 the reportable segment Jumia was established following the merger of the general merchandise business activities with the other African marketplaces and classified businesses combined in Africa Internet Holding GmbH. Therefore, for the six-month period ended June 30, 2016, the financial information of the former operating segment Jumia was reclassified from the segment General Merchandise into the new reportable segment Jumia.
- Effective December 31, 2016, foodpanda was sold to DH, thus, ceasing to represent an operating segment starting from the beginning of 2017.
- On May 24, 2017, GFG announced a strategic partnership with Emaar Malls PJSC, Dubai (a subsidiary of Emaar Properties PJSC, Dubai). Under the partnership, Emaar Malls acquires a 51% stake in Namshi. The reportable segment GFG classified Namshi (operations in Middle East) as discontinued operations as of June 30, 2017.

**HelloFresh** is a leading global online provider of food boxes. The company delivers recipes and fresh, pre-portioned ingredients to its customers to conveniently prepare healthy and delicious home-cooked meals. Founded in 2011, the company is currently active in nine markets including the United States, the United Kingdom, the Netherlands, Australia, Germany, Belgium, Canada, Austria and Switzerland.

HelloFresh maintained its growth trajectory. Revenue increased from EUR 291.5 million in the first half of 2016 by 49% to EUR 435.4 million in the first half of 2017. This mainly results from increased number of servings delivered as well as higher number of active customers. Whilst EBITDA remained constant with EUR -49.2 million in the first half of 2016 and EUR -49.0 million in the first half of 2017, EBITDA margin improved meaningfully from -17% in the first half of 2016 to -11% in the first half of 2017.

**GFG** is a leading online fashion provider focused on emerging markets. The company is active in 24 countries across four continents and operates through four branded platforms, uniting the leading fashion eCommerce companies Lamoda (Russia/CIS), Dafiti (Brazil/Latin America), Namshi (Middle East) and Zalora (Southeast Asia) including The Iconic (Australia and New Zealand).

Revenue increased by 12% from EUR 455.8 million in the first half of 2016 to EUR 510.6 million in the first half of 2017. Revenue growth was slower in comparison to previous year given that the 2016 figure includes and the 2017 figure excludes revenues of Namshi. During the first half of 2016 Namshi contributed revenues of EUR 67.1 million to the GFG segment. Excluding Namshi revenue of the segment would have increased by 31% in the first half of 2017 in comparison to the first half of 2016. EBITDA improved by 48% from EUR -82.3 million in the first half of 2016 to EUR -43.1 million in the first half of 2017. The EBITDA margin improved respectively from -18% in the first half of 2016 to -8% in the first half of 2017. These changes were mostly due to operational improvements.

**Jumia** is a leading online shopping portal in Africa with presence in 35 countries. Customers across the continent can shop from the widest assortment of high quality products with everything from fashion, consumer electronics and home appliances to beauty products on offer at affordable prices. The company's goal is to offer a platform for merchants, brands and SMEs to connect and transact with African consumers.

On August 30, 2016 the former operating segment Jumia, that represented the general merchandise business by the group under Africa eCommerce Holding GmbH (AEH), was merged into Africa Internet Holding GmbH (AIG). Consequently, starting from September 30, 2016 the performance of the entire African operations (Jumia general merchandise businesses together with other marketplace and classifieds businesses in Africa) is reviewed at AIG-level solely and is subsumed within the new operating segment Jumia. For comparability purposes, the financial information of the former operating segment Jumia for the previous first half of the year was reclassified from the segment General Merchandise into the new reportable segment Jumia.

Revenue of Jumia increased by 14% from EUR 33.0 million in the first half of 2016 to EUR 37.5 million in the first half of 2017, mainly impacted by merger of eCommerce businesses with marketplace and classifieds businesses, while offset by continued currency devaluation in Nigeria and Egypt. EBITDA for the first half of 2017 of EUR -52.5 million (previous first half of the year EUR -38.0 million) and EBITDA margin of -140% (previous first half of the year -115%) are negatively affected by additional losses related to other marketplace and classifieds businesses contributed by AIG in the merger with AEH. This is particularly attributable to the early stage of the contributed businesses.

**Home & Living** includes the business of Home24, a leading online retailer for home and living products operating in Europe and Latin America, and Westwing, an online retailer offering a frequently changing, curated selection of home design products in Europe, CIS and Latin America.

Revenue of the Home & Living segment increased by 5% from EUR 241.4 million in the first half of 2016 to EUR 254.4 million in the first half of 2017 driven by strong loyalty of customers and higher average order value (AOV). EBITDA improved by 31% from EUR -37.6 million in the first half of 2016 to EUR -26.0 million in the first half of 2017, as a result of continued operational improvements. The EBITDA margin improved from -16% in the first half of 2016 to -10% in the first half of 2017.

For further discussion please refer to the Note 3 of the Interim Condensed Consolidated Financial Statements.

### **3.5 Overall Statement regarding the Earnings, Financial and Asset Position of the Group**

The reporting period was characterized by a markedly improved but still negative share of profit/loss of associates and joint ventures as well as revenue increases of selected companies included in the segments. Furthermore, in the first half of 2017 net gains on equity instruments recognized at fair value through profit or loss (mainly gains realized from the sale of Lazada) as well as realized gains from the partial sale of Delivery Hero shares during the IPO were recognized. Investments were made in existing and new business models. These investments were largely supported by co-investments by RICP. Overall, the development of the Group in the first half of 2017 can be described as satisfactory. Given the strength of Rocket Internet's balance sheet, we consider ourselves in a good position to continue to support entrepreneurship by investing in and building technology companies globally as well as by providing a unique blend of operational support and capital.

## **4. Changes in the Supervisory Board**

In the annual general meeting held on June 2, 2017, the number of the members was reduced from nine to eight. The shareholders elected Christopher H. Young as new member of the Supervisory Board. The member of the Supervisory Board Napoleon L. Nazareno has resigned from his position with effect on June 2, 2017. The term of office of Dr. Martin Enderle ended on June 2, 2017.

## **5. Forecast Report and Report of Opportunities and Risks**

### **5.1 Forecast Report**

The International Monetary Fund recently upgraded its forecast for the global economy and in its updated economic outlook for 2017 (World Economic Outlook, Update July 2017) now anticipates global growth of 3.5%, 0.1 percentage point more than at the beginning of the year (January 2017 forecast). For 2018 IMF expects global output to grow 3.6%. Economic activity in both advanced economies and emerging and developing economies is forecast to accelerate, to 2.0% and 4.6% respectively.

Rocket Internet will continue to use its expertise to identify investment opportunities and has the necessary means to seize opportunities when they arise in the second half of 2017. Rocket Internet will continue to hold and to expand its grip into interesting and promising online business models. However, opportunistic sales cannot be ruled out. We expect that in the second half of 2017 we will invest directly in selected, existing start-ups in different growth stages of their development when looking for business ideas that we want to pursue ourselves.

Regarding RICP, Rocket Internet expects to increase its investment into the fund by means of funding calls.

We further expect that investments in many of our larger network companies which are included in the segments, are likely to decrease due to their improved profitability. We also expect that investments will remain stable in existing network companies in the area of the Regional Internet Groups and New Businesses. Nevertheless, regarding the number of consolidated companies we expect a continued reduction in line with the first half of 2017, while the total amount and number of GFC investments will further increase. For the second half of 2017, only a few sales of network companies are expected.

Regarding New Businesses still consolidated after June 30, 2017, Rocket Internet Group expects a slight increase in consolidated revenue for the financial year 2017. Overall, however, due to the sale of La Nevera Roja (in April 2016), Pizzabo (in February 2016) and Somuchmore (in December 2016) as well as deconsolidations, discontinued business activities of subsidiaries and potentially also by the deconsolidation of further subsidiaries as well as the decrease of revenues of the Rocket Internet SE a moderate decrease in consolidated revenue is forecast for the financial year 2017. Due to the early stage of our fully consolidated subsidiaries, we continue to expect negative operating results (EBITDA) in the area New Businesses for 2017 in the range between EUR 15 to 25 million.

The result from deconsolidation of subsidiaries is expected to be lower for the financial year 2017.

Results from associated companies and joint ventures are determined by their operations and the consequent results from operational activity on the one hand, and by the conditions agreed with new investors in future financing rounds on the other hand. For most associated companies and joint ventures, we expect negative proportionate contributions from their operational results, which should be compensated partly by the effects from financing rounds. Overall, we expect a substantial negative but compared to the previous year a significantly improved result from associated companies and joint ventures but estimate the degree of predictability to be low given the market movements in our business environment.

The earnings position of the Group can vary substantially from year to year, due to the dilution of its shareholdings or in some cases the sale of participations. The earnings position of the Group can also be subject to high volatility due to the result from deconsolidation. Overall, therefore, we estimate the predictability of EBITDA with regard to the timing and its amount to be low, as in previous years. Against this background, corporate planning did not include a quantified projected result for 2017, but EBITDA for 2017 is expected to improve in comparison with 2016 as forecast in the Combined Management Report 2016.

#### Outlook for the segments that continue to be reportable in 2017

In all segments that continue to be reportable in 2017, we expect revenue growth, negative EBITDA and mainly an improvement in the EBITDA margins for the financial year 2017.

#### HelloFresh

The revenues of our segment HelloFresh should increase by a mid double-digit percentage in 2017 as compared to 2016. The EBITDA in 2017 will be slightly lower within a low double-digit percentage range and the negative EBITDA margin should significantly improve.

#### GFG

For GFG, we anticipate that revenues will be higher for the financial year 2017 than the prior-year figure by an amount in the low double-digit percentage range. We expect an improvement in EBITDA compared to previous year's operating loss by a mid double-digit percentage range, thereby improving the EBITDA margin significantly.

#### Jumia

Jumia is expected to grow revenues by a low double-digit percentage during the financial year 2017. Regarding EBITDA, we forecast an improvement by a mid single-digit percentage range. Accordingly, EBITDA margin for Jumia is estimated to improve moderately.

#### Home & Living

For Home & Living, we expect an increase in revenues by a low double-digit percentage in the financial year 2017 as compared to 2016. EBITDA should improve by a mid double-digit percentage, albeit staying negative. Therefore, we expect that the negative EBITDA margin of the Home & Living segment will improve significantly.

## **5.2 Report on Opportunities and Risks**

The Group's operations and its international structure offer a multitude of opportunities, whilst also exposing it to numerous risks. Rocket Internet has implemented a management system to handle opportunities and risks arising out of its economic activities. The objective of the risk and opportunity management is to develop a risk management strategy and establish goals that create an optimal balance between growth and profitability on the one hand and the related risk on the other hand.

During the first six months of the 2017 financial year, there are no significant changes compared to the risks and opportunities described in the 2016 Combined Management Report, neither from individual risks positions nor from the overall risk situation. There are still no discernible risks that could jeopardize the Groups ability to continue as a going concern.



## **6. Employees**

As of June 30, 2017, the fully consolidated companies employed a total of 680 employees thereof 180 outside of Germany. On December 31, 2016, the Group employed a total of 837 people, thereof 194 abroad.

Berlin, September 27, 2017

Oliver Samwer

Peter Kimpel

Alexander Kudlich

# ROCKET INTERNET

## Responsibility Statement

June 30, 2017

Rocket Internet SE, Berlin

*Non-binding convenience translation from German*

## **Responsibility Statement**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim condensed consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining fiscal year.

Berlin, September 27, 2017

The Management Board

Oliver Samwer

Peter Kimpel

Alexander Kudlich

## **About Rocket Internet**

Rocket Internet incubates and invests in Internet companies with proven business models. It provides operational support to its companies and helps them scale internationally. Rocket Internet focuses predominantly on four industry sectors of online and mobile retail and services that make up a significant share of consumer spending: Food & Groceries, Fashion, General Merchandise and Home & Living. Rocket Internet's selected companies are active in a large number of countries around the world with more than 28,000 employees. Rocket Internet SE is listed on the Frankfurt Stock Exchange (ISIN DE000A12UKK6, RKET). For further information, please visit [www.rocket-internet.com](http://www.rocket-internet.com).

## **About this Document**

This document is a Half Year Financial Report pursuant to Sec. 51 of the Exchange Rules for the Frankfurt Stock Exchange. This Half Year Financial Report was prepared on September 27, 2017 (editorial deadline) and was submitted for publication on September 28, 2017 (publication date).

## **Disclaimer and other Notes**

This document contains forward-looking statements. These statements are based on the current views, expectations and assumptions of the management of Rocket Internet SE ("Rocket Internet") and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements due to, among other things, changes in the general economic and competitive environment, risks associated with capital markets, currency exchange rate fluctuations and competition from other companies, changes in international and national laws and regulations, in particular with respect to tax laws and regulations, and other factors.

Rocket Internet assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.

The financial figures have been prepared in conformity with International Financial Reporting Standards (IFRS) as adopted by the EU. This Report is an Interim Financial Report within the meaning of International Accounting Standard (IAS) 34. Further information on the accounting methods used can be found in the most recent annual report at [www.rocket-internet.com/investors](http://www.rocket-internet.com/investors). Furthermore, this document includes in IFRS not clearly defined additional financial measures that are or may be so-called non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to assess the position of the Group as presented in accordance with IFRS. Other enterprises that report or describe similarly titled financial measures may calculate them differently.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

All participation quotas for our companies shown in this report are based on the Group's ownership calculated pursuant to the respective accounting rules (e.g. reflecting the transaction closing dates, dates of change in control, considering trust shares allocated to the Group, excluding stakes indirectly held via RICP etc.) and may therefore differ from the respective information (beneficial interest including RICP) published on the Company's website which is based on the signing dates.

This document is a translation of the original German version and is intended to be used for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the translation, please note that the German original is binding.

## **ROCKET INTERNET**

### **Imprint**

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