ROCKET INTERNET

Interim Condensed Consolidated Financial Statements for the Period Ended June 30, 2018

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

Rocket Internet SE, Berlin

Non-binding convenience translation from German

Interim Condensed Consolidated Financial Statements

Rocket Internet SE, Berlin

Interim Consolidated Statement of Comprehensive Income for the Period January 1 to June 30, 2018

Income Statement In EUR million	Jan 1 - Jun 30, 2018	Jan 1 - Jun 30, 2017
Revenue	23.7	18.0
Other operating income	1.9	0.6
Result from deconsolidation of subsidiaries	-0.1	4.3
Purchased merchandise, purchased services and interest	-4.5	-8.1
Employee benefits expenses	-26.3	-31.9
Other operating expenses	-15.4	-13.9
Share of profit/loss of associates and joint ventures	99.3	-93.8
EBITDA	**78.7**	**-124.8**
Depreciation and amortization	-0.5	-0.6
Impairment of non-current assets	0.0	-0.7
EBIT	**78.2**	**-126.1**
Financial result	**217.8**	**96.8**
Finance costs	-32.6	-55.0
Finance income	250.4	151.8
Profit/loss before tax	**296.0**	**-29.3**
Income taxes	0.6	2.1
Profit/loss for the period	**296.6**	**-27.2**
Thereof attributable to equity holders of the parent	297.0	-25.4
Thereof attributable to non-controlling interests	-0.4	-1.8
Earnings per share (in EUR)	**1.84**	**-0.15**

Statement of Comprehensive Income In EUR million	Jan 1 - Jun 30, 2018	Jan 1 - Jun 30, 2017
Profit/loss for the period	**296.6**	**-27.2**
Exchange differences on translation of foreign operations	2.0	-2.1
Net gain on available-for-sale (AFS) financial assets	0.0	220.0
Share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	0.5	-9.0
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	-0.1	0.2
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**2.4**	**209.1**
Other comprehensive income for the period, net of tax	**2.4**	**209.1**
Total comprehensive income for the period, net of tax	**299.0**	**181.9**
Thereof attributable to equity holders of the parent	297.9	183.6
Thereof attributable to non-controlling interests	1.1	-1.7

Rocket Internet SE, Berlin

Interim Consolidated Balance Sheet as of June 30, 2018

Assets

In EUR million	Jun 30, 2018	Dec 31, 2017
Non-current assets	**1,762.5**	**1,803.7**
Property, plant and equipment	2.8	2.9
Intangible assets	8.6	8.9
Investments in associates and joint ventures	795.5	853.0
Non-current financial assets	953.4	937.9
Other non-current non-financial assets	2.2	1.0
Current assets	**2,825.2**	**2,751.6**
Inventories	0.1	0.2
Trade receivables	4.7	5.4
Other current financial assets	347.8	1,014.2
Other current non-financial assets	3.6	2.2
Income tax assets	12.2	13.1
Cash and cash equivalents	2,456.9	1,716.6
Assets classified as held for sale	**0.4**	**0.0**
Total assets	**4,588.1**	**4,555.3**

Equity and liabilities

In EUR million	Jun 30, 2018	Dec 31, 2017
Equity	**4,199.3**	**4,126.1**
Subscribed capital	154.4	165.1
Treasury shares	0.0	-21.1
Capital reserves	2,854.9	3,100.3
Retained earnings	1,174.6	235.2
Other components of equity	-8.0	621.9
Equity attributable to equity holders of the parent	4,176.0	4,101.4
Non-controlling interests	23.3	24.7
Non-current liabilities	**340.4**	**298.7**
Non-current financial liabilities	329.7	285.1
Other non-current non-financial liabilities	10.6	12.5
Deferred tax liabilities	0.1	1.2
Current liabilities	**48.2**	**130.5**
Trade payables	8.4	12.4
Other current financial liabilities	22.3	101.1
Other current non-financial liabilities	16.4	16.1
Income tax liabilities	1.1	1.0
Liabilities directly associated with assets classified as held for sale	**0.2**	**0.0**
Total equity and liabilities	**4,588.1**	**4,555.3**

Rocket Internet SE, Berlin

Interim Consolidated Statement of Changes in Equity for the Period January 1 to June 30, 2018

	Equity attributable to equity holders of the parent							Non-controlling interests	Total equity
	Subscribed capital	Treasury shares		Capital reserves	Retained earnings	Other components of equity	Total		
In EUR million		*Number*	Amount						
Jan 1, 2017	**165.1**			**3,099.4**	**210.6**	**241.6**	**3,716.8**	**28.3**	**3,745.0**
Loss for the period					-25.4		-25.4	-1.8	-27.2
Other comprehensive income for the period, net of tax						209.0	209.0	0.0	209.1
Total comprehensive loss for the period, net of tax					-25.4	209.0	183.6	-1.7	181.9
Release of income tax benefit associated with transaction costs				-0.7			-0.7		-0.7
Proceeds from non-controlling interests				0.4			0.4	1.2	1.6
Non-cash dividends to non-controlling interests								-0.2	-0.2
Changes in scope of consolidation and other changes in non-controlling interests				-2.9	0.1		-2.8	4.0	1.2
Equity-settled share-based payments (IFRS 2)					9.9		9.9	0.0	9.9
				-3.2	-15.4	209.0	190.4	3.3	193.7
Jun 30, 2017	**165.1**			**3,096.2**	**195.2**	**450.6**	**3,907.2**	**31.6**	**3,938.8**
Balance as of Dec 31, 2017 as previously reported	**165.1**	***1,035,621***	**-21.1**	**3,100.3**	**235.2**	**621.9**	**4,101.4**	**24.7**	**4,126.1**
First time application of IFRS 9					630.7	-630.7	0.0		0.0
Adjusted total equity as of Jan 1, 2018	**165.1**	***1,035,621***	**-21.1**	**3,100.3**	**865.9**	**-8.8**	**4,101.4**	**24.7**	**4,126.1**
Profit for the period					297.0		297.0	-0.4	296.6
Other comprehensive income for the period, net of tax						0.9	0.9	1.6	2.4
Total comprehensive income for the period, net of tax					297.0	0.9	297.9	1.1	299.0
Repurchase of treasury shares		*9,730,285*	-233.5				-233.5		-233.5
Transaction costs of repurchase of treasury shares				-0.2			-0.2		-0.2
Redemption of treasury shares	-10.8	*-10,765,906*	254.6	-243.9			0.0		0.0
Non-cash dividends to non-controlling interests							0.0	-0.9	-0.9
Changes in scope of consolidation and other changes in non-controlling interests				-1.3	1.8		0.5	-1.7	-1.2
Equity-settled share-based payments (IFRS 2)					9.9		9.9	0.1	10.0
	-10.8	*-1,035,621*	21.1	-245.4	308.8	0.9	74.6	-1.4	73.2
Jun 30, 2018	**154.4**	***0***	**0.0**	**2,854.9**	**1,174.6**	**-8.0**	**4,176.0**	**23.3**	**4,199.3**

Rocket Internet SE, Berlin

Interim Consolidated Statement of Cash Flows for the Period January 1 to June 30, 2018

In EUR million		Jan 1 - Jun 30, 2018	Jan 1 - Jun 30, 2017
1.	**Cash flow from operating activities**		
	Profit/loss before tax	296,0	-29,3
	Adjustments to profit/loss before tax to net cash flow:		
+	Depreciation of property, plant and equipment and amortization of intangible assets	0,5	0,6
+	Impairment of non-current assets	0,0	0,7
+	Equity-settled share-based payment expense	10,2	9,8
-/+	Gain/loss from deconsolidations	0,1	-4,3
-/+	Currency translation gain/loss	-13,5	21,2
-/+	Other non-cash income/expenses	0,0	-0,1
-/+	Fair value adjustments of equity instruments FVTPL	-207,8	-86,7
-	Finance income	-7,1	-51,9
+	Finance costs	9,9	20,9
-/+	Share of profit or loss of associated companies and joint ventures (equity method)	-99,3	93,8
-/+	Change in trade working capital	0,8	-0,5
-/+	Change in other assets and liabilities	2,5	-23,9
+/-	Adjustments for net change in operating financial assets	-65,6	-24,9
+	Dividends received	37,3	0,2
+	Interest received	7,4	14,7
-	Interest paid	-4,6	-5,4
-/+	Income tax paid/received	-0,1	0,0
=	**Cash flow from operating activities**	**-33,3**	**-65,2**
2.	**Cash flows from investing activities**		
-	Purchase of property, plant and equipment	-0,2	-0,2
-	Cash paid for investments in intangible assets	0,0	-0,1
+	Proceeds from disposal of non-consolidated equity investments	1.119,9	301,6
-	Cash outflows for acquisitions of non-consolidated equity investments	-58,5	-44,1
-	Transaction costs related to disposal of non-consolidated equity investments	-4,4	0,0
+	Proceeds from sale of subsidiaries[1)]	0,0	10,6
-	Acquisition of subsidiaries, net of cash acquired	0,0	-1,5
+/-	Cash inflows/outflows from changes in scope of consolidation	-0,5	-1,9
+	Cash received in connection with short-term financial management of cash investments	3,4	24,3
-	Cash paid in connection with short-term financial management of cash investments	-106,5	-32,7
+	Cash received in connection with the repayment of long-term financial assets	1,5	55,0
-	Cash paid in connection with the acquisition of financial assets and granting of long-term financial assets	-1,8	-12,0
=	**Cash flows from investing activities**	**952,9**	**298,9**
3.	**Cash flows from financing activities**		
-	Purchase of treasury shares including transaction cost	-233,7	0,0
-	Repurchase of convertible bonds	-9,9	-37,0
+	Proceeds from non-controlling interests	0,0	1,6
+	Proceeds from non-controlling interests classified as financial liabilities	51,9	0,0
+	Proceeds from borrowings	0,4	2,6
-	Repayment of borrowings	-0,2	-0,3
=	**Cash flows from financing activities**	**-191,5**	**-33,1**
4.	**Cash and cash equivalents at the end of the period**		
	Net change in cash and cash equivalents (subtotal of 1 to 3)	728,2	200,6
	Net foreign exchange difference	12,3	-9,9
	Cash and cash equivalents at the beginning of the period	1.716,6	1.401,7
	Cash and cash equivalents at the end of the period	**2.457,0**	**1.592,4**

1) Cash disposed in conjunction with the sale of subsidiaries amounts to EUR 0.0 million (previous period EUR 1.3 million) 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 interests 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 non-current 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 MDAX index.

The unaudited interim condensed consolidated financial statements are presented in Euro. Unless otherwise indicated, all values are rounded to million Euro (EUR million) with one decimal point in accordance with standard commercial practice, which may result in rounding differences and percentage figures presented may not exactly reflect the absolute figures they relate to.

The reporting period covers the period January 1 to June 30, 2018. If not otherwise stated comparative figures for the balance sheet are as of December 31, 2017 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, 2017.

2. Basis of Preparation and Accounting Policies

Basis of preparation

The unaudited interim condensed consolidated financial statements for the period January 1, 2018 to June 30, 2018 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 should be read in conjunction with the interim group management report.

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, 2017 (consolidated financial statements 2017). 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 interim condensed consolidated financial statements comprise the financial statements of the Company and its directly or indirectly controlled network companies (subsidiaries), including certain structured entities.

Depending on the business model:

- interest income is included in revenue or finance income in the statement of profit or loss;
- interest expense is included in purchased merchandise, purchased services and interest or finance costs in the statement of profit or loss.

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, 2017 are basically unchanged, except as disclosed below.

IFRS 9 Financial Instruments: IFRS 9 provides new guidance on the classification and measurement of financial assets and financial liabilities. IFRS 9 takes into account the characteristics of the contractual cash flows and the business model by which these cash flows are managed. The standard also introduces a new impairment model for financial assets that now also accounts for anticipated losses for the calculation of the risk provision as well as new rules on hedge accounting. IFRS 9 is applicable for reporting periods beginning on or after January 1, 2018. Rocket Internet utilizes the option for simplified initial application. The cumulative effect arising from the transition is recognized as an adjustment to the opening balance of equity in the year of initial application. Prior-year comparatives are not adjusted.

Due to the initial application of IFRS 9, the Group measures its equity instruments that were formerly measured at fair value through other comprehensive income, at fair value through profit or loss. Thus, changes in the fair value of those equity instruments are recognized directly in profit or loss. At initial application of IFRS 9 (January 1, 2018) unrealized gains in the amount of EUR 630.7 million (net of income tax) were transferred from other comprehensive income to retained earnings. Furthermore, shares in subsidiaries outside consolidation in the amount of EUR 1.4 million are reported under other non-financial assets since the initial application of IFRS 9.

The measurement categories according to IAS 39 were transferred into the measurement categories of IFRS 9 as follows:

IAS 39	IFRS 9
Available-for-sale (afs)	Financial assets measured at fair value through profit or loss mandatorily (fvtpl) or other non-financial assets
Financial assets measured at fair value through profit or loss mandatorily (fvtpl)	Financial assets measured at fair value through profit or loss mandatorily (fvtpl)[1]
Financial assets measured at fair value through profit or loss under fair value option (fafvo)	
Loans and receivables (lar)	Financial assets measured at amortized cost (faac)
Financial liabilities at fair value through profit or loss (flfvtpl)	Financial liabilities measured at fair value through profit or loss (flfvtpl)
Other financial liabilities (ofl)	Financial liabilities measured at amortised cost (flac)

[1] Including associated companies accounted for pursuant to IAS 28.18

The carrying amounts of the financial assets and liabilities did not change due to the initial application of IFRS 9.

According to IFRS 9 impairment losses of financial assets measured at amortized cost are recognized based on expected credit losses (ECL). The expected credit-loss approach uses three stages for allocating impairment losses:

Stage 1: Expected credit losses within the next twelve months,

Stage 2: Expected credit losses over the lifetime – not credit impaired,

Stage 3: Expected credit losses over the lifetime – credit impaired.

For trade receivables, the simplified approach is applied whereby all trade receivables are allocated to stage 2 initially.

The new provisions on the accounting of impairment losses will result in expected losses having to be recognized earlier in some cases. The first time application of IFRS 9 did not have a material effect on the impairment of financial assets.

Rocket Internet does not apply hedge accounting and therefore the hedge accounting provisions of IFRS 9 are out of scope.

IFRS 15 Revenue from Contracts with Customers: IFRS 15 is applicable for reporting periods beginning on or after January 1, 2018 and supersedes all revenue recognition requirements in IFRS, especially IAS 11 Construction Contracts, IAS 18 Revenue as well as related interpretations. It applies to all revenues arising from contracts with customers, unless those contracts are in the scope of other standards. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group adopted IFRS 15 using the modified retrospective method of adoption, i.e. the cumulative impact of the first-time application is recognized at the date of initial application (January 1, 2018) as an adjustment to the opening balance in equity. Prior-year comparatives are not adjusted.

IFRS 15 has no material financial impact upon adoption on January 1, 2018. For the impact assessment, the Group has assessed its current contracts with customers and did not identify performance obligations other than the obligations already used to recognize revenue. Given the nature of Rocket Internet's business model, the revised notion of control and resulting revenue recognition date does not impact the recognition policy applied by the Group.

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 amounts of assets or liabilities in future periods. The use of estimates and assumptions is explained in the consolidated financial statements 2017. New judgments, estimates and assumptions made by the Group during the first half of 2018 are described below.

Assessment of significant influence over HelloFresh SE

As of June 30, 2018, the Group owns approximately 36% of the total outstanding share capital of HelloFresh SE (considering treasury shares and excluding the shares held as trustee). About 26% of the remaining shares are held by three shareholders each holding more than 3% of the voting rights and approximately 38% are held by various other shareholders, none individually holding more than 3% of the voting rights. None of the shareholders has arrangements to consult any of the others or make collective decisions. Decisions about the relevant activities of the investee require the approval of a simple majority of votes cast at shareholders' meetings.

The first annual shareholders' meeting of HelloFresh SE took place on June 5, 2018. In total, approximately 82% of the voting rights were present and therefore, Rocket Internet did not obtain the attendance majority and consequently, did not gain control over HelloFresh. Accordingly, Rocket Internet continues to account for HelloFresh using the equity method.

Provided that the current voting rights share in HelloFresh SE of the Group remains unchanged, a participation of less than 73% of the voting rights in decisions at future shareholders' meetings could have the effect that Rocket Internet would obtain de facto control over HelloFresh SE. First-time consolidation of HelloFresh SE would significantly change the consolidation scope in that case. Furthermore, at the date of obtaining de facto control, the Group would recognize the difference between the current carrying amount of the HelloFresh SE shares accounted for in accordance with the equity method and the fair value in profit or loss.

Impairment of non-current assets

The Group considers the relation between its market capitalization and the carrying amount of its net assets, among other factors, when reviewing for indicators of impairment. During the first half of 2018, the market capitalization of the Group developed as follows:

Trading Date	Closing Price[1)] EUR per share	Market Capitalization[2)] in EUR million
Dec 29, 2017	21.13	3,467.5
Jan 31, 2018	23.36	3,833.4
Feb 28, 2018	24.70	4,053.3
Mar 29, 2018	24.92	4,089.4
Apr 30, 2018	24.28	3,984,3
May 31, 2018	24.36	3,760.6
Jun 29, 2018	27.50	4,245.3

[1)] As per electronic computer trading system XETRA
[2)] Based on ordinary shares outstanding

As of June 30, 2018, the market capitalization of the Group was above the carrying amount of its equity. As of June 30, 2018 the Group does not have any material goodwill or other intangible assets.

Accounting for non-controlling interests of a limited life subsidiary

As of June 30, 2018, the Group consolidates a subsidiary whose life is limited by the articles of association. The shares issued by the subsidiary to third party non-controlling shareholders include a contractual obligation for the subsidiary to deliver a pro rata share of its net assets on expiry of the specified term. As the obligation is certain to occur and outside the control of the Group, such non-controlling interests are classified as financial liabilities in the consolidated financial statements pursuant to IAS 32.AG29A. The financial liabilities amounted to EUR 51.9 million as of June 30, 2018 (previous year: EUR 0.0 million).

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 number of fully consolidated companies of the Group has developed as follows:

	Germany	Other countries	Total
As of Jan 1, 2018	34	56	90
First-time consolidation	1	8	9
Foundings	0	2	2
Deconsolidation of inactive subsidiaries and liquidations	-5	-17	-22
As of Jun 30, 2018	30	49	79

During the first half of 2018 there were no acquisitions of subsidiaries that meet the definition of a business combination.

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

Associates and joint ventures

As of June 30, 2018, the Group has 44 associated companies/joint ventures. Their number has developed as follows:

	Germany	Other countries	Total
As of Jan 1, 2018	**19**	**26**	**45**
Transition to other investments	-1	0	-1
Disposal and other changes	1	-1	0
As of Jun 30, 2018	**19**	**25**	**44**
thereof at equity	*16*	*18*	*34*
thereof at FVTPL[1)]	*3*	*7*	*10*

[1)] Fair value through profit or loss

In the first half of 2018, the Group sold the shares in ECommerce Holding II S.à r.l. Due to the dilution by capital increases at Marley Spoon AG and the resulting loss of significant influence, Marley Spoon's shares were reclassified to other investments. These transactions had no significant effect on the interim consolidated financial statements.

For more information reference is made to note 5.

3. Segment Information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance of the segments. The function of the CODM is performed by the Board of Management of Rocket Internet SE.

Starting January 2018, in the regular internal reporting to the CODM, results are reported for the company as a whole. The CODM does not regularly review the results on a lower level to make decisions about allocation of resources and to assess the performance of different parts of the Company. The Company therefore comprises a single operating and reportable segment.

4. Revenue

Revenue for the period comprises the following:

In EUR million	Jan 1 - Jun 30, 2018	
Revenue from contracts with customers (IFRS 15)	12.1	51%
Other revenue	11.6	49%
Total	**23.7**	**100%**

Other revenue mainly comprises rental revenue (IAS 17) and interest revenue (IFRS 9), which is reported as revenue depending on the respective business model.

Revenue from contracts with customers (IFRS 15) for the period comprises the following:

In EUR million	Jan 1 - Jun 30, 2018	
Type of revenue		
Rendering of services	10.6	88%
Sale of goods	1.4	12%
Revenue IFRS 15	**12.1**	**100%**
Geographical markets		
Germany	5.7	48%
Rest of Europe	5.2	43%
Rest of the World	1.1	9%
Revenue IFRS 15	**12.1**	**100%**
Timing of transfer of goods or services		
At a point in time	7.1	59%
Over time	4.9	41%
Revenue IFRS 15	**12.1**	**100%**

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 reselling of services purchased from third parties are included therein.

Revenue generated at a point in time mainly refers to the sale of goods and the sale of intermediation services of specialized online and mobile transaction platforms for goods and services/marketplaces. Revenue generated over time mainly refers to the rendering of project-based services and consulting services.

Revenue for the prior-year period comprises the following:

In EUR million	Jan 1 - Jun 30, 2017	
Rendering of services	13.4	75%
Sale of goods	3.2	18%
Interest	1.3	7%
Total	**18.0**	**100%**

5. Investments in Associates and Joint Ventures

Investments accounted for using the equity method:

In EUR million	Jun 30, 2018	Dec 31, 2017
Investments in associates	683.3	693.7
Investments in joint ventures	112.2	159.4
Total investments in associates and joint ventures	**795.5**	**853.0**

On the one hand, the decrease of investments in associates by EUR 10.4 million originates from the disposal of 12.2 million shares of HelloFresh for EUR 150.1 million and from a distribution in kind of shares in Maxi Mobility Inc. (Cabify) received from Emerging Markets Taxi Holding S.à r.l. (Easy Taxi). Other effects include the pro rata losses of other associates accounted for using the equity method, such as Traveloka, Spark Networks and Westwing.

On the other hand, investments in home24 of EUR 22.0 million and the RICP funds of EUR 6.4 million as well as the profit from the recent IPO ("deemed disposal gain") of home24 had an increasing effect. Overall, home24 contributed a profit of EUR 8.6 million to the share of profit/loss of associates and joint ventures. In addition, the Group recognized a net balance of impairment losses and reversal of impairment losses in the amount of EUR 28.7 million, which mainly relates to Global Fashion Group.

The decrease of interest in joint ventures by EUR 47.2 million mainly results from the cash distribution in the amount of EUR 36.9 million received from Asia Pacific Internet Group as well as from the proportionate share of loss of Jumia (EUR 13.6 million).

In the first half of 2018, the Group has made cash investments of EUR 6.1 million in joint ventures and EUR 28.7 million 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, 2018	Ownership Dec 31, 2017	Ownership Jun 30, 2017
AEH New Africa II (holding for parts of Jumia)[1)]	AEH New Africa eCommerce II GmbH	Berlin	eCommerce/ marketplace	71.2%	71.2%	71.2%
Global Fashion Group	Global Fashion Group S.A.	Luxembourg	eCommerce	20.2%	20.2%	20.6%
HelloFresh	HelloFresh SE	Berlin	eCommerce	36.2%	44.0%	53.3%
home24	home24 SE	Berlin	eCommerce	34.0%	40.8%	41.3%
Westwing	Westwing Group AG	Berlin	eCommerce	32.3%	32.3%	32.3%

[1)] No control due to specific regulations in the shareholders' agreement

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

The Rocket Internet Capital Partners Fund ("RICP") invests jointly with Rocket Internet (co-investment ratio: 80% RICP; 20% Rocket Internet).

The total commitment of Rocket Internet SE amounts to EUR 122.1 million (consisting of USD 100.0 million and EUR 36.3 million) of which a total amount of EUR 49.1 million was invested until June 30, 2018.

Rocket Internet has pledged short-term financial assets amounting to EUR 149.9 million as collateral for RICP's short-term credit facility. As of June 30, 2018, RICP has drawn down EUR 43.8 million of that credit facility.

Investments in joint ventures

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

				Ownership		
Trade name	Name of joint venture	Registered office	Principal activity	Jun 30, 2018	Dec 31, 2017	Jun 30, 2017
Jumia	Africa Internet Holding GmbH	Berlin	eCommerce/ marketplace	21.7%	21.7%	21.7%
Asia Pacific Internet Group	Asia Internet Holding S.à r.l.	Luxembourg	eCommerce/ marketplace	50.0%	50.0%	50.0%

6. 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:

In EUR million	Jun 30, 2018	Dec 31, 2017	Jun 30, 2017
Balance sheet line item Cash and cash equivalents	2,456.9	1,716.6	1,592.4
Cash and bank balances included in the assets classified as held for sale	0.1	0.0	0.0
Cash and cash equivalents	**2,457.0**	**1,716.6**	**1,592.4**

Cash which is surplus to operational needs is invested in interest bearing short-term deposits with financial institutions and is exposed to credit risk. Rocket Internet continuously monitors concentration and credit risk towards these institutions. No defaults occurred during the reporting period and the management does not expect any losses from non-performance by these counterparties.

The change in trade working capital consists of changes in the carrying amounts of inventories, trade receivables and trade payables.

The change in other assets and liabilities mainly includes changes of other financial and non-financial assets and liabilities that are not allocated to investing or financing activities.

7. Share Capital and Reserves

As of December 31, 2017, subscribed capital (share capital) amounted to EUR 165.1 million and was fully paid-in. The registered share capital was divided into 165,140,790 no-par value bearer shares.

In May 2018, 10,765,906 own shares were redeemed. Thus, the share capital of the Company is reduced from EUR 165,140,790 by EUR 10,765,906 to EUR 154,374,884.

As a result of the repurchase and redemption of treasury shares, the capital reserves decreased by EUR 244.1 million in the first half of 2018.

During the first half of 2018 and 2017, no dividends were declared or paid to the shareholders of the parent company.

During the first half of 2018, a fully consolidated subsidiary made a non-cash distribution of EUR 0.9 million to non-controlling shareholders (previous year EUR 0.2 million).

8. 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, 2017, there were no major changes with regard to these plans.

9. 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 according to IFRS 9 (previous year IAS 39) and the hierarchy for the determination of fair value according to IFRS 13.

In EUR million	Measured at	Level	Carrying amount Jun 30, 2018	Carrying amount Dec 31, 2017	Fair value Jun 30, 2018	Fair value Dec 31, 2017
Non-current financial assets						
Equity instruments – listed companies	FV	1	680.5	728.9	680.5	728.9
Equity instruments – unlisted companies	FV	3	165.8	136.4	165.8	136.4
thereof Europe			*111.5*	*109.6*	*111.5*	*109.6*
thereof United States			*48.3*	*21.5*	*48.3*	*21.5*
thereof Rest of world			*5.9*	*5.3*	*5.9*	*5.3*
Subsidiaries outside consolidation	C	n/a	n/a	1.4	n/a	n/a
Derivative financial assets	FV	3	4.3	3.4	4.3	3.4
Asset backed securities issued by third parties	AC	3	5.7	3.4	5.7	3.4
Receivables from the sale of investments	AC	3	0.3	4.7	0.3	4.7
Loan receivables from associated companies	AC	3	10.0	7.7	10.0	7.7
Loan receivables from third parties	AC	3	77.0	44.0	76.9	43.8
Other non-current financial assets measured at fair value	FV	3	6.4	4.3	6.4	4.3
Other non-current financial assets	AC	3	3.3	3.8	3.3	3.8
Current financial assets						
Loan receivables from associated companies and joint ventures	AC	n/a	7.0	5.7	7.0	5.7
Asset backed securities issued by associated companies	AC	n/a	7.5	7.5	7.5	7.5
Receivables from the sale of investments	AC	n/a	0.3	8.8	0.3	8.8
Bank deposits[1)]	AC	n/a	165.1	150.0	165.1	150.0
Equity instruments – listed companies	FV	1	87.8	737.9	87.8	737.9
Equity instruments – unlisted companies (Europe)	FV	3	0.0	46.4	0.0	46.4
Derivative financial assets	FV	2	0.1	0.8	0.1	0.8
Loan receivables from third parties	AC	n/a	68.2	45.2	68.2	45.2
Other current financial assets	AC	n/a	11.7	12.0	11.7	12.0
Trade receivables	AC	n/a	4.7	5.4	4.7	5.4
Cash and cash equivalents	AC	n/a	2,456.9	1,716.6	2,456.9	1,716.6
Financial assets classified as held for sale						
Other financial assets	AC	n/a	0.1	0.0	0.1	0.0
Trade receivables	AC	n/a	0.3	0.0	0.3	0.0
Cash and cash equivalents	AC	n/a	0.1	0.0	0.1	0.0

[1)] Thereof EUR 164.9 million (December 31, 2017 EUR 149.9 million) pledged as collateral for short-term credit facilities of structured entities.

In EUR million	Measured at	Level	Carrying amount Jun 30, 2018	Carrying amount Dec 31, 2017	Fair value Jun 30, 2018	Fair value Dec 31, 2017
Non-current financial liabilities						
Liabilities from convertible bonds[1)]	AC	3	276.0	283.4	288.8	290.3
Non-controlling interests classified as financial liabilities	AC	3	51.9	0.0	51.9	0.0
Loan liabilities	AC	3	1.6	1.6	1.6	1.6
Other non-current financial liabilities	AC	3	0.2	0.2	0.2	0.2
Interest-bearing loans and borrowings (current)						
Liabilities from convertible bonds	AC	n/a	3.8	3.9	3.8	3.9
Loan liabilities	AC	n/a	1.6	1.4	1.6	1.4
Other current financial liabilities						
Liabilities from capital calls	AC	n/a	8.9	15.0	8.9	15.0
Derivative financial liabilities	FV	2	0.1	78.3	0.1	78.3
Mandatorily redeemable non-controlling interests issued by a consolidated subsidiary	AC	n/a	0.0	1.5	0.0	1.5
Other current financial liabilities	AC	n/a	8.0	0.9	8.0	0.9
Trade payables	AC	n/a	8.4	12.4	8.4	12.4
Thereof aggregated according to the measurement categories of IFRS 9						
Financial assets measured at fair value through profit or loss mandatorily (fvtpl)[2)]			945.0		945.0	
Financial assets measured at amortized cost (faac)			2,818.2		2,818.2	
Financial liabilities measured at fair value through profit or loss (flfvtpl)			0.1		0.1	
Financial liabilities measured at amortised cost (flac)			360.4		373.2	
Thereof aggregated according to the measurement categories of IAS 39						
Available-for-sale (afs)				1,473.1		1,471.8
Financial assets measured at fair value through profit or loss mandatorily (fvtpl)				4.3		4.3
Financial assets measured at fair value through profit or loss under fair value option (fafvo)				182.1		182.1
Loans and receivables (lar)				2,014.6		2,014.4
Financial liabilities at fair value through profit or loss (flfvtpl)				78.3		78.3
Other financial liabilities (ofl)				320.2		327.2

1) Fair value measurement based on price of the convertible bond as of June 30, 2018 of 106.70% (December 31, 2017 103.88%) (Level 3). Convertible bonds were prematurely repaid in full after the reporting period. For more information reference is made to note 12.

2) Including associated companies that are measured at FVTPL according to IAS 28.18

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 reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers of fair values between Level 1, Level 2 and Level 3 in the first half of 2018. In June 2017, the shares of Delivery Hero SE were transferred from Level 3 to Level 1 due to the initial public offering of Delivery Hero SE.

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

First half of 2018

In EUR million	Equity instruments – unlisted companies	Derivative financial assets	Other non-current financial assets measured at fair value	Total
Opening balance as of Jan 1, 2018	**182.7**	**3.4**	**4.3**	**190.5**
Additions	22.9	0.0	0.0	**22.9**
Changes in fair value recognized in profit or loss	7.4	0.8	3.6	**11.8**
Disposals	-47.2	0.0	-1.5	**-48.7**
Closing balance as of Jun 30, 2018	**165.8**	**4.3**	**6.4**	**176.5**
Changes in unrealized gains or losses for the period included in profit or loss for assets held at the end of the period	7.6	0.8	3.6	**12.0**

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

	Equity instruments – unlisted companies			
In EUR million	Europe	USA	Rest of world	Total
Opening balance as of Jan 1, 2018	**156.0**	**21.5**	**5.3**	**182.7**
Additions	5.8	15.7	1.4	**22.9**
Changes in fair value recognized in profit or loss	-3.8	11.2	0.0	**7.4**
Disposals	-46.4	-0.1	-0.7	**-47.2**
Closing balance as of Jun 30, 2018	**111.5**	**48.3**	**5.9**	**165.8**
Changes in unrealized gains or losses for the period included in profit or loss for assets held at the end of the period	-3.6	11.2	0.0	7.6

First half of 2017

In EUR million	Equity instruments – unlisted companies	Derivative financial assets	Other non-current financial assets measured at fair value	Total
Opening balance as of Jan 1, 2017	**1,586.1**	**2.6**	**3.6**	**1,592.3**
Additions	17.1	0.0	0.0	17.1
Reclassifications[1)]	-1,246.6	0.0	0.0	-1,246.6
Changes in fair value recognized in profit or loss	81.0	1.0	1.0	83.1
Changes in fair value recognized in OCI	-3.0	0.0	0.0	-3.0
Disposals	-268.6	-0.2	0.0	-268.7
Closing balance as of Jun 30, 2017	**166.0**	**3.5**	**4.7**	**174.2**
Changes in unrealized gains or losses for the period included in profit or loss for assets held at the end of the period	2.2	0.9	1.0	4.2

[1)] Reclassifications during 2017 relate with EUR 1,246.6 million to the initial public offering of Delivery Hero SE. 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 unlisted equity instruments classified by geographical location:

	Equity instruments – unlisted companies			
In EUR million	Europe	USA	Rest of world	Total
Opening balance as of Jan 1, 2017	**1,560.0**	**21.7**	**4.4**	**1,586.1**
Additions	12.4	4.2	0.5	17.1
Reclassifications	-1,246.6	0.0	0.0	-1,246.6
Changes in fair value recognized in profit or loss	80.6	-0.8	1.2	81.0
Changes in fair value recognized in OCI	-3.0	0.0	0.0	-3.0
Disposals	-268.4	-0.2	0.0	-268.6
Closing balance as of Jun 30, 2017	**135.1**	**24.9**	**6.1**	**166.0**
Changes in unrealized gains or losses for the period included in profit or loss for assets held at the end of the period	1.9	-0.8	1.2	2.2

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

In EUR million	2018	2017
Opening balance as of Jan 1	0.0	3.8
Additions	0.0	1.5
Changes in scope of consolidation	0.0	-1.5
Disposals	0.0	-3.8
Closing balance as of Jun 30	0.0	0.0
Changes in unrealized gains or losses for the period included in profit or loss for liabilities accounted at the end of the period	0.0	0.0

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 carrying amounts 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 unlisted 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' shareholders' 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 100%).

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 country specific risk premiums are used. In addition, a risk premium is added to the cost of capital. This 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 1.25%). Country risk premiums between 0.00% and 20.24% (previous year 0.00% and 12.08%) and a small cap premium of 3.67% (previous year 3.67%) are also applied. Long-term inflation rates between 0.2% and 30.0% (previous year 1.0% and 14.5%) (with the exception of Venezuela at 12,874% (previous year 4,664%)) are also used in the calculation, as forecast by the International Monetary Fund. For additional risk premiums, surcharges of between 7% and 49% (previous year 7% and 49%) 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 0.40x to 19.25x (previous year 0.6x to 11.5x) and/or EBITDA multiples in the range of 4.68x to 75.80x (previous year 4.7x to 31.8x) 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 investments in a multitude of unlisted companies. Accordingly, Rocket Internet's asset, financial and earnings position is dependent on how well these companies develop. Rocket Internet's strategy is 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, 2018, 17% (previous year <1%) of Rocket Internet's total assets were listed equity instruments and 4% (previous year: 4%) were unlisted equity instruments measured at fair value through profit or loss.

On June 30, 2018, 3% (previous year: 3%) 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 December 31, 2017 32% of Rocket Internet's total assets were listed equity instruments and a share of <1% were unlisted equity instruments measured at fair value through other comprehensive income.

On December 31, 2017 a share of <1% of the total assets were unlisted equity instruments measured based on transaction prices as well as 0% of the total assets were unlisted equity instruments measured using the DCF method.

Associated companies measured at FVTPL

During the first half of 2018 and 2017 no investments in associated companies accounted for at FVTPL (IAS 28.18) were made.

Sensitivity analysis of equity instruments of unlisted 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 unlisted 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 as of June 30, 2018 for the main input factors: the probability of occurrence for exit scenarios as well as the cost of capital.

Europe		Cost of capital		
In EUR million		+20%	0%	-20%
Probability of occurrence for exit scenarios	-20%	101.7	108.3	117.9
	0%	98.6	111.5	121.1
	+20%	109.2	115.8	125.4

United States		Cost of capital		
In EUR million		+20%	0%	-20%
Probability of occurrence for exit scenarios	-20%	43.5	43.5	43.5
	0%	48.3	48.3	48.3
	+20%	56.8	56.8	56.8

Rest of world		Cost of capital		
In EUR million		+20%	0%	-20%
Probability of occurrence for exit scenarios	-20%	5.5	5.7	6.2
	0%	5.4	5.9	6.4
	+20%	5.7	6.0	6.4

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. 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.

10. Contingent Liabilities and other Contractual Obligations

Except for the pledging of short-term financial assets described in note 5, there are no contingencies for external liabilities as of the reporting date.

As of June 30, 2018 the total amount and the composition of other contractual obligations changed only insignificantly compared to the consolidated financial statements 2017.

11. 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 Jun 30, 2018	Voting rights Dec 31, 2017
Global Founders	Global Founders GmbH, Grünwald (Germany)[1]	39.7%	37.1%

[1] 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 2018 and 2017.

Transactions with associated companies and joint ventures

The transactions in the period January 1 to June 30, 2018 and January 1 to June 30, 2017 and outstanding balances with associates under significant influence of the Group are as follows:

In EUR million	Jan 1 - Jun 30, 2018	Jan 1 - Jun 30, 2017
Sales to associates	2.9	2.4
Sale of subsidiaries to associates	0.0	0.7
Purchases from associates	-0.0	-0.1
Interest income from associates	0.3	1.8
Dividends received from associates	7.1	0.2

In EUR million	Jun 30, 2018	Dec 31, 2017
Amounts owed by associates:		
Non-current loan receivables	10.0	7.7
Trade receivables	0.7	0.5
Other current financial receivables	5.4	1.9
Asset backed securities issued by associated companies	7.5	7.5
Derivative financial instruments (warrant)	4.3	3.4
Amounts owed to associates:		
Other current financial liabilities	0.9	0.9

The transactions in the period January 1 to June 30, 2018 and January 1 to June 30, 2017 and outstanding balances with joint ventures of the Group are as follows:

In EUR million	Jan 1 - Jun 30, 2018	Jan 1 - Jun 30, 2017
Sales to joint ventures	0.5	1.4
Purchases from joint ventures	-0.0	-0.0
Dividends received from joint ventures	36.9	0.0

In EUR million	Jun 30, 2018	Dec 31, 2017
Amounts owed by joint ventures:		
Trade receivables	0.2	0.6
Other current financial receivables	1.6	3.8
Amounts owed to joint ventures:		
Trade payables	0.1	0.1
Liabilities from capital calls	8.9	15.0

Transactions with members of the key management personnel

In June 2018, Oliver Samwer (CEO) acquired shares of Rocket Internet SE in an off-market transaction with a volume of EUR 40.8 million for EUR 27.18 per share.

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 of Rocket Internet SE on June 2, 2017):

Name	Number
Alexander Kudlich	1,207,320
Peter Kimpel	1,000,000

In May 2018, the shareholder PLDT, which is closely associated to the former member of the supervisory board Christopher H. Young, sold shares of Rocket Internet SE with a volume of EUR 163.2 million at a share price of EUR 24.00. In June 2018, a supervisory board member received a dividend in kind from a consolidated subsidiary amounting to less than EUR 0.1 million.

In June 2017, Norbert Lang (member 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 2.0 million. In February 2017, Norbert Lang, purchased shares of Rocket Internet SE with an aggregated volume of EUR 0.9 million 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 1.0 million at a share price of EUR 19.27.

Other related party transactions with members of the key management personnel in the first half of 2018 are of the same character as the transactions described in the consolidated financial statements 2017.

Transactions with close family members of the Management Board

During the first half of 2018 the Group purchased a portion of a newly generated loan receivable of a third party amounting to EUR 3.9 million from an entity controlled by Alexander Samwer. The entity controlled by Alexander Samwer will remain lender for its portion of the loan. The economics of the loan shall be shared proportionally by the lenders and there are no fees payable by the Group to the entity controlled by Alexander Samwer. Furthermore, the Group and the entity of Alexander Samwer entered into a security trust agreement. The decision to nominate an entity controlled by Alexander Samwer as trustee was taken because Alexander Samwer and his entity have the necessary know-how to duly carry out the trustee’s duties. The trustee may require to be reimbursed for certain out-of-pocket costs, but does not receive any consideration for its service.

12. Events after the Reporting Period

In July 2018, Oliver Samwer (CEO) acquired shares of Rocket Internet SE in an off-market transaction with a volume of EUR 29.0 million for EUR 29.00 per share. After this transaction, Oliver Samwer directly holds approximately 3.0% of the company's shares.

In July 2018, the Group repurchased convertible bonds in an aggregate nominal amount of EUR 253.9 million. This acquisition was carried out in course of an invitation to all holders of convertible bonds issued by Rocket Internet SE on July 22, 2015 to offer to sell their convertible bonds for cash (reverse auction process).

On August 20, 2018, Rocket Internet announced, that Peter Kimpel (CFO) decided to leave the Management Board of the Company with effect beginning of October 2018 to pursue a new management challenge.

In September 2018, the company bought back the remaining convertible bonds issued on 22 July 2015 in a total nominal amount of EUR 35.1 million. For this purpose, Rocket Internet exercised the option of early redemption pursuant to § 6 (2) of the Terms and Conditions of the bonds.

On September 13, 2018, Westwing Group AG published its Intention to Float announcement. Westwing plans to list its shares in the regulated market (Prime Standard) of the Frankfurt Stock Exchange. The planned offer of approximately EUR 120 million will consist of newly issued shares from a capital increase.

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

13. Authorization of the Financial Statements for Issue

The Management Board authorized the issue of the interim condensed consolidated financial statements on September 19, 2018.

Berlin, September 19, 2018

The Management Board

Oliver Samwer | Peter Kimpel | Alexander Kudlich

ROCKET INTERNET

Interim Group Management Report
for the Period Ended June 30, 2018

Rocket Internet SE, Berlin

Non-binding convenience translation from German

Table of Content

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 MDAX index.

Subsidiaries, associated companies, joint ventures as well as the other companies in which the Group holds non-current 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, 2017. The changes in accounting policies made in 2018 are presented in the notes to the interim condensed consolidated financial statements. 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 that 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 2018 is presented in million euro (EUR million) except where otherwise indicated. Unless otherwise indicated, all values are rounded in accordance with standard commercial practice, which may result in rounding differences, and percentage figures presented may not exactly reflect the absolute figures they relate to.

The reporting period covers the period January 1 to June 30, 2018. If not otherwise stated, comparative figures for the balance sheet are as of December 31, 2017 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, 2017.

The general statements made in the combined management report 2017 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. Starting from the first half of 2018, the cash position includes, in addition to bank balances, highly liquid listed shares which are easily convertible into cash.

Detailed, up-to-date information on the strategy and the major network companies of Rocket Internet as well as the shareholder structure can be found on the website of the parent company: www.rocket-internet.com.

2. Economic Report

2.1 General Economic Conditions

According to the “Global Economic Prospects Report” of the World Bank Group published in June 2018, global growth remains robust but has softened in recent months, as manufacturing activity and trade have shown signs of moderation. The oil prices are substantially higher than previously expected. Global inflation is trending up, but only gradually and from low levels. In advanced economies, activity continues to grow above potential, notwithstanding some recent moderation, while additional fiscal stimulus measures are expected to provide a further lift to near-term growth in the United States. Labor markets have improved steadily. With output gaps nearly or already closed, inflation expectations have crept up and monetary policy is becoming less expansionary. Inflation, however, remains below central bank targets in many advanced economies. The possibility of financial market stress, escalating trade protectionism and heightened geopolitical tensions continue to cloud the outlook. Financial market stress could arise as a result of escalating investor concerns about the creditworthiness of some emerging market and developing economies or as a byproduct of faster-than-expected normalization of monetary policy in advanced economies. Countries with elevated corporate debt, wide current account or fiscal deficits, or weak growth prospects would be vulnerable to jumps in global financing costs. In commodity exporting economies, in particular, the expected slowdown in commodity demand growth from major emerging markets weighs on long-term growth outcomes.

In emerging market and developing economies (EMDEs), growth in commodity importers will remain strong, while the rebound in commodity exporters is projected to mature over the next two years as commodity prices plateau. Rapid growth among the major emerging markets over the past 20 years has boosted global demand for commodities. The seven largest emerging markets (Brazil, China, India, Indonesia, Mexico, the Russian Federation and Turkey) accounted for almost all of the increase in global consumption of metals and two-thirds of the increase in energy consumption over this period. While global energy consumption growth may remain broadly steady, global metals and foods demand growth could slow by one-third over the next decade. This would dampen global commodity prices. Among emerging market and developing economies (EMDEs), the recovery in commodity exporters has continued, as consumption and investment remain strong. The upturn in many energy exporters is still lagging that of exporters of other commodities, reflecting ongoing adjustments to the 2014-2016 collapse in oil prices and production cuts in key oil exporters. Across commodity exporters, inflation is generally moderating as the impact of past currency depreciations wanes. Activity in commodity importers continues to be robust. Growth in China is gradually slowing, but remains resilient, while constraints to growth are dissipating in other large commodity importers— notably India and Mexico, where investment is recovering and inflation remains broadly stable so far, despite higher commodity prices and limited remaining slack.

2.2 Sector-Specific Conditions

Venture Capital Market in Germany

The statements made in the combined management report 2017 still apply at the time this interim report was issued for publication.

The environment for initial public offerings was favorable during the first half of 2018, with 13 initial public offerings (IPOs) in Germany – a level last seen in 2007. In terms of aggregate placement volumes (EUR 7.3 billion), it was the strongest first half for IPOs since 2000. Eleven companies chose a Prime Standard listing, while two issuers opted for the Scale segment (small and medium-sized enterprises). The IPO of home24 SE contributed with a placement volume of EUR 172.5 million to the total. At EUR 4.2 billion, the IPO of Siemens Healthineers AG in March 2018 was the biggest flotation during the first half of 2018.

According to the “Start-up Barometer Deutschland” of the auditing firm EY from July 2018, German start-ups were able to collect a total of EUR 2.4 billion from investors in the first half of 2018 - 7% less than in the previous year with Delivery Hero SE’s IPO setting a record. By contrast, the transaction volume of pure venture capital investments - excluding IPOs - increased by 3.5% in the first half of 2018 compared to the same previous year period to a new high of EUR 2.2 billion. In terms of investments, a total of 272 transactions, representing a 3% increase over the same period last year set another record. Berlin once again defended its title as Germany's start-up capital. In the first half of 2018, Berlin start-ups received a total of EUR 1.6 billion in 123 financing rounds. The number of financing rounds increased by 6%. Again, eCommerce companies received the major part of the capital investment in the first half of 2018. In total, the start-ups of this category collected EUR 975 million, compared to EUR 1,362 million in the same period of the previous year. Investments in FinTech companies rose again from EUR 332 million to EUR 396 million. Investments in Software & Analytics increased significantly from EUR 207 million to EUR 386 million and investments in Mobility rose from EUR 62 million to EUR 150 million. The largest five transactions in the year to date involved Berlin-based start-ups in eCommerce and FinTech. In January 2018, the pre-owned car platform Auto1 collected EUR 460 million. Naspers invested USD 89 million in Berlin-based startup Frontier Car Group.

Globally, with 660 IPOs raising USD 94.3 billion, the first half of 2018 saw the highest proceeds for the first half of the year since 2015 (704 IPOs raising USD 110.1 billion). Geopolitical frictions and shifting trade policies softened IPO confidence in many parts of the world, resulting in a decline of the number of IPOs in the first half year of 2018 compared to the previous year period (772 IPOs).

This recent development shows that a high financing volume was available for startups in Germany and around the world. As a result the level of competition in new incubations of start-ups also increased significantly.

General Sector Trends

The statements made in the combined management report 2017 still apply at the time this interim report was issued for publication.

2.3 Course of Business

We can look back on a very eventful first half of 2018 for our Group. The ability to incubate, support the operations and develop Internet companies remains the focus of Rocket Internet's strategy, even though the intensity of competition in the startup market has increased. The goal of building and operationally supporting a network of promising technology companies continued in the first half of 2018.

In June 2018, home24 SE placed its shares successfully on the regulated market segment (Prime Standard) of the Frankfurt Stock Exchange. The offer price was set at EUR 23.00 per share, which is at the upper end of the price range of EUR 19.50 to EUR 24.50. The gross proceeds from the issuance of 6,521,740 new shares amount to EUR 150.0 million. In addition, 978,261 over-allotment shares (primary greenshoe option) were allocated. Considering full exercise of the greenshoe option, home24 SE's total market capitalization amounts to approximately EUR 600 million based on the offer price. The share price of home24 increased compared to the offer price by 22% to EUR 29.60 as of June 30, 2018. As part of the offering, Rocket Internet SE purchased shares for EUR 22.0 million.

The profit for the period amounts to EUR 296.6 million and improved significantly compared to a loss of EUR 27.2 million in the previous year period. This result is driven by an improved share of profit/loss of associates and joint ventures as well as net gains on equity instruments recognized at fair value through profit or loss. The total comprehensive gain net of tax for the first half of 2018 amounted to EUR 299.0 million (previous year period gain of EUR 181.9 million).

Cash and cash equivalents increased from EUR 1,716.6 million as of December 31, 2017 to EUR 2,457.0 million as of June 30, 2018 predominantly reflecting the proceeds from strategically motivated disposal of shares in Delivery Hero SE and HelloFresh SE.

In March 2018, HelloFresh purchased all shares in the US based Green Chef Corporation, an American competitor that provides meal kits with organic ingredients. The share price of HelloFresh increased from EUR 11.90 as of December 31, 2017 by 10% to EUR 13.07 as of June 30, 2018.

On April 18, 2018 Rocket Internet placed 12.2 million shares of HelloFresh SE at a price of EUR 12.30 per share. The placement was in the form of an accelerated bookbuilt. Post-closing of the transaction Rocket Internet's stake in HelloFresh decreased from 44% to approximately 36%.

During the first half 2018 Rocket Internet reduced its share in Delivery Hero from approximately 24% as of December 31, 2017 to approximately 8% as of June 30, 2018 due to several transactions, in particular the closing of the sale of about 22 million Delivery Hero shares to Naspers announced in September 2017. The price of Delivery Hero shares increased by 38%, up to EUR 45.58 as of June 30, 2018 compared to EUR 33.00 as of year-end 2017.

Most of Rocket Internet SE's network companies in the four key focus sectors showed two-digit revenue growth in the first half of 2018 as compared to the first half of 2017, particularly HelloFresh (41%) and Westwing (22%). Furthermore, they showed an improvement of the adjusted EBITDA margin, particularly HelloFresh, Global Fashion Group as well as Westwing.

The program for the partial repurchase of the convertible bonds, concluded in February 2016, was continued in the first half of 2018. In total, the Group repurchased convertible bonds with a nominal value of EUR 261.0 million till June 30, 2018 (thereof EUR 9.3 million in the first half of 2018), representing 47% of the initial total nominal value of EUR 550.0 million.

EBITDA of the Group improved significantly from negative EUR 124.8 million in the first half of 2017 by EUR 203.5 million to EUR 78.7 million in the first half of 2018. This improvement was mainly driven by the improved share of profit/loss of associates and joint ventures, reduced employee benefits expenses and the increase in revenue.

The Group's average EBITDA margin of subsidiaries in the area of New Businesses which were fully consolidated in the Rocket Internet Group in the first half of 2018, improved as forecast.

In line with the previous year report's forecast for the financial year 2018, the international expansion of our network companies has continued. With the first-time consolidation of ExpertLead, which was incubated by Rocket Internet, a new network company with a new business model was included in the scope of consolidation of the Group. Non-viable operations were discontinued. The number of fully consolidated companies is 79 as of June 30, 2018.

Revenue of the Rocket Internet Group increased to EUR 23.7 million in the first half of 2018 compared to EUR 18.0 million in the previous year period (+32%). The previous year report's forecast for the financial year 2018 of a significant increase in consolidated revenue of New Businesses for those companies that continued to be fully consolidated after December 31, 2017, was realized in the first half 2018. The Group's revenue for all New Businesses increased from EUR 8.0 million in the first half of 2017 by 90% to EUR 15.1 million in the first half of 2018. As expected, the area of New Businesses excluding FinTech entities realized a negative EBITDA. The area of FinTech realized a positive EBITDA and thus, in contrary to the forecast, contributed to the positive EBITDA of the Rocket Internet Group. In line with the previous year report's forecast for the financial year 2018, revenue from other services declined by 14%.

The result from deconsolidation of subsidiaries in the first half of 2018 in the amount of negative EUR 0.1 million (previous year EUR 4.3 million) decreased as had been forecast for the total year 2018 in the combined management report 2017.

Contrary to the previous year report's forecast for the financial year 2018, the result from associates and joint ventures was strongly positive in the first half of 2018. In total, the share of profit/loss from associates and joint ventures improved from negative EUR 93.8 million by EUR 193.1 million to EUR 99.3 million. 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 negative EUR 33.4 million (previous year negative EUR 73.0 million). In the first half of 2018, gains from the disposal of associates and joint ventures of EUR 104.1 million (previous year EUR 0.0 million) were recognized. Furthermore, the Group recognized significant reversals of impairment losses and the net balance of impairment losses and reversals amounted to EUR 28.7 million as compared to a net balance of impairment losses and reversals of negative EUR 20.7 million in the prior-year's period.

Contrary to the forecast in the combined management report 2017 for the total year 2018 which anticipated the EBITDA to deteriorate, the EBITDA of the Group improved by EUR 203.5 million from negative EUR 124.8 million in the first half of 2017 to EUR 78.7 million in the first half of 2018.

2.4 Rocket Internet Share

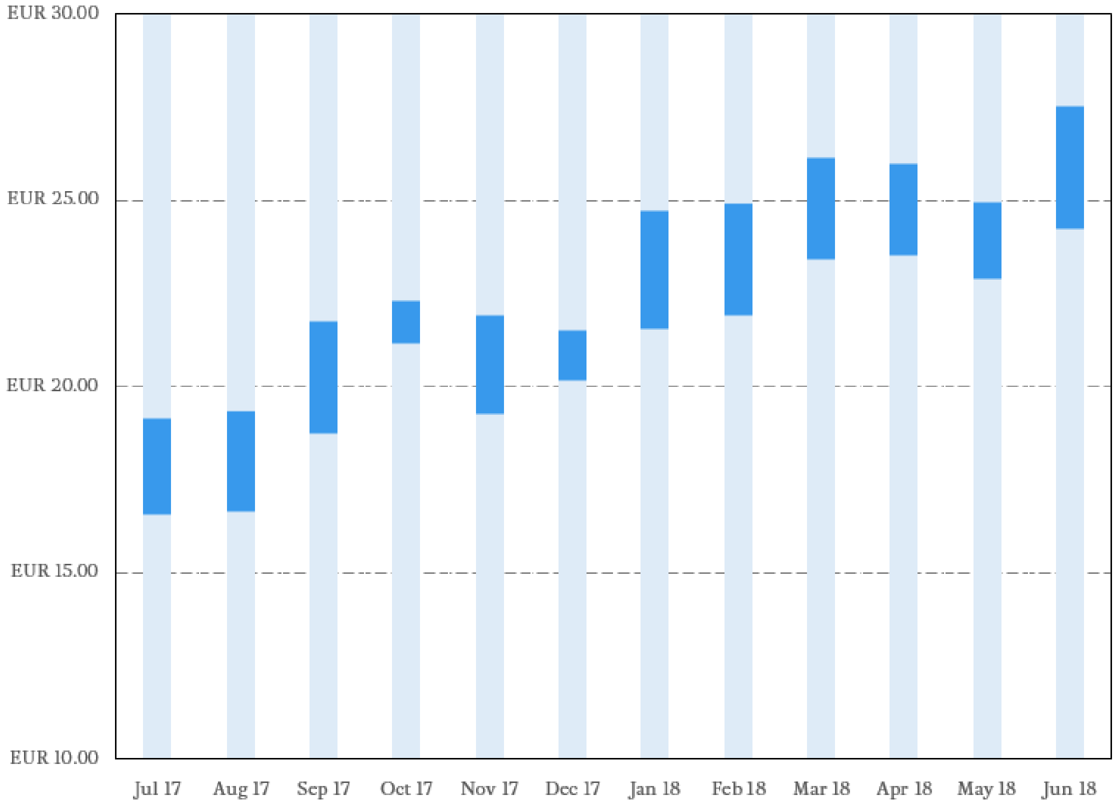
Rocket Internet SE joined the MDAX index of German mid-cap stocks on March 19, 2018. This decision was announced by Frankfurt Stock Exchange on March 5, 2018.

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. On April 16, 2018 Rocket Internet resolved to early terminate the share buy-back program. In the period from August 14, 2017 until the early termination of the program on April 16, 2018, a total of 1,041,167 shares (of which 5,546 shares in the first half 2018) were bought back at a volume weighted average price of EUR 20.41. This corresponds to a portion of 0.63% of the registered share capital of Rocket Internet SE.

Also on April 16, 2018, Rocket Internet resolved to buy back up to 15,472,912 own shares (corresponding to a maximum of up to 9.37% of the Company's registered share capital) through a public share purchase offer against payment of an offer price in the amount of EUR 24.00 per share. A total of 9,724,739 shares were tendered during the acceptance period. Thus, all purchase offers could be accepted. This includes 6,800,000 shares tendered by PLDT Online Investments Pte. Ltd.

On May 23, 2018, Rocket Internet announced the redemption of 10,765,906 own shares. Thus, the share capital of the Company was reduced from EUR 165,140,790 by EUR 10,765,906 to EUR 154,374,884. In the first half 2018, the share price of Rocket Internet SE increased from EUR 21.13 as of December 31, 2017 by EUR 6.37 to EUR 27.50 as of June 30, 2018. The market capitalization increased from about EUR 3.5 billion as of December 31, 2017 to about EUR 4.2 billion as of June 30, 2018.

The development of the Xetra closing share prices is as follows:



In the first half of 2018, average daily trading volume via the electronic computer trading system Xetra was 414,000 shares (versus 451,000 shares in first half 2017) with an average value of EUR 10.1 million (versus EUR 8.6 million in the first half 2017) traded daily.

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 – 2017:

In EUR million	Jan 1-Dec 31, 2017	Jan 1-Dec 31, 2016	Jan 1-Dec 31, 2015	Jan 1-Dec 31, 2014	Jan 1-Dec 31, 2013
Revenue	36.8	50.4	128.3	128.2	99.8
Result from deconsolidation of subsidiaries	11.6	48.3	167.0	452.6	0.0
Share of profit/loss of associates and joint ventures	2.6	-539.6	-188.6	75.1	1,449.0
EBITDA	-54.8	-565.3	-200.8	424.4	1,317.8
Financial result	47.0	-168.0	29.7	12.0	91.8
Profit/loss for the period	-6.0	-741.5	-197.8	428.8	1,395.6
Other comprehensive income for the period, net of tax	377.3	118.3	36.4	78.2	9.2
Total comprehensive income/loss for the period, net of tax	371.4	-623.2	-161.4	507.0	1,404.8
Earnings per share (in EUR) – basic = diluted	0.01	-4.22	-1.24	3.24	11.93

Earnings position of the Group during the reporting period

In EUR million	Jan 1 - Jun 30, 2018	Jan 1 - Jun 30, 2017
Revenue	23.7	18.0
Other operating income	1.9	0.6
Result from deconsolidation of subsidiaries	-0.1	4.3
Purchased merchandise, purchased services and interest	-4.5	-8.1
Employee benefits expenses	-26.3	-31.9
Other operating expenses	-15.4	-13.9
Share of profit/loss of associates and joint ventures	99.3	-93.8
EBITDA	**78.7**	**-124.8**
Depreciation, amortization and impairment of non-current assets	-0.5	-1.3
Financial result	217.8	96.8
Income taxes	0.6	2.1
Profit/loss for the period	**296.6**	**-27.2**
Other comprehensive income for the period, net of tax	2.4	209.1
Total comprehensive income for the period, net of tax	**299.0**	**181.9**
Earnings per share (in EUR) – basic = diluted	1.84	-0.15

Revenue was structured as follows:

In EUR million	Jan 1 - Jun 30, 2018		Jan 1 - Jun 30, 2017	
New Businesses	15.1	64%	8.0	44%
Other services	8.6	36%	10.0	56%
Total	23.7	100%	18.0	100%

Revenues of the New Businesses increased significantly by 90% from EUR 8.0 million in the first half 2017 to EUR 15.1 million in the first half 2018. This results primarily from a higher volume of FinTech operations.

The revenues from other services are comprised mainly of income from consulting services performed for network companies. The decrease by 14% in the first half 2018 compared to the previous year period 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, 41% were generated in Germany (previous year 52%), 25% in the United Kingdom (previous year 24%), 15% in Luxembourg (previous year 9%), 9% in France (previous year 3%), 3% in Australia (previous year 3%), 2% in Latin America (previous year 3%) and 4% in the rest of world (previous year 6%).

The result from deconsolidation of subsidiaries in the amount of negative EUR 0.1 million (previous year EUR 4.3 million) originated from the termination of non-viable operations. In the first half of 2017 the result from deconsolidation of subsidiaries mainly originated from the deemed disposal of ZipJet.

The cost of purchased merchandise, purchased services and interest decreased by 45% from EUR 8.1 million to EUR 4.5 million. The decrease is mainly due to the deconsolidation of subsidiaries.

Employee benefits expenses which amounted to EUR 26.3 million (previous year EUR 31.9 million) included the current remuneration as well as expenses arising from equity-settled and cash-settled share-based payments. The significant decrease by EUR 5.7 million (-18%) results from the reduced expenses for salaries, bonuses and social security due to decreased average number of own staff employed by consolidated companies.

Other operating expenses mainly include legal and consultancy costs (EUR 3.1 million, previous year EUR 1.5 million), rental costs as well as expenses for office and IT infrastructure (EUR 3.0 million, previous year EUR 3.9 million), advertising and marketing expenses (EUR 2.8 million, previous year EUR 2.1 million) and expenses for external services (EUR 1.0 million, previous year EUR 1.1 million).

The share of profit/loss from associates and joint ventures is overall positive and amounts to EUR 99.3 million (previous year negative EUR 93.8 million). The significant increase by EUR 193.1 million results from the following:

Share of profit/loss from associates and joint ventures reconciliation	Impact on result in EUR million
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	39.6
Increase of reversals of impairment losses (net balance of losses and reversals)	49.3
Increase of gains from disposal	104.1
Total	193.1

The significant positive share of profit/loss from associates and joint ventures in the first half of 2018 is characterized by the sale of HelloFresh shares for EUR 150.1 million, the reversal of impairment losses of Global Fashion Group as well as the deemed disposal gain in connection with the recent IPO of home24. Overall, a profit of EUR 91.6 million is attributable to HelloFresh, of which negative EUR 17.5 million relate to pro rata losses, while EUR 109.1 million were realized in connection with the sale of HelloFresh shares. Global Fashion Group contributes a profit of EUR 13.6 million to the share of profit/loss from associates and joint ventures, of which EUR 26.3 million relate to reversals of impairment losses while negative EUR 12.7 million relate to pro rata losses. Furthermore, a profit of EUR 8.6 million was recognized in connection with home24, which includes both pro rata losses as well as the deemed disposal gain. Opposing effects mainly include the pro rata losses of Jumia (EUR 13.6 million), Traveloka (EUR 4.5 million), Spark Networks (EUR 3.5 million) and Westwing (EUR 1.0 million).

In the first half of 2017, the share of profit/loss from associates and joint ventures of negative EUR 93.8 million, on the one hand, 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 reversals of impairment losses 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).

EBITDA of the Group improved significantly from negative EUR 124.8 million in the first half of 2017 by EUR 203.5 million to EUR 78.7 million in the first half of 2018. This improvement was mainly driven by the improved share of profit/loss of associates and joint ventures, reduced employee benefit expenses and the increase in revenue. Accordingly, EBIT increased significantly by EUR 204.4 million to EUR 78.2 million in the same period.

The financial result of EUR 217.8 million (previous year EUR 96.8 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 207,8 million (mainly Delivery Hero) (previous year EUR 86.7 million (mainly Lazada)), net foreign exchange gains of EUR 12.8 million (previous year loss of EUR 20.9 million) that relate to loans as well as to cash and cash equivalents and mainly reflect the development of the USD exchange rate and interest expense from convertible bonds of EUR 5.9 million (previous year EUR 6.6 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 2.4 million (previous year EUR 209.1 million) in the first half of 2018 includes exchange differences on translation of foreign operations in the amount of EUR 2.0 million (previous year negative EUR 2.1 million) and the share of the changes in the net assets of associates / joint ventures that are recognized in OCI of the associates / joint ventures of EUR 0.4 million (previous year negative EUR 8.8 million). In the first half of 2017 it also included the net gain on available-for-sale financial assets of EUR 220.0 million which refers almost exclusively to Delivery Hero. Due to the first-time application of IFRS 9, starting January 1, 2018, all valuation changes (both realized gains and unrealized value changes) of Delivery Hero are reported in the financial result. In the previous year, the financial result only included the realized disposal gains, while the unrealized valuation gains were reported in other comprehensive income (OCI).

3.2 Financial Position

In EUR million	Jan 1 - Jun 30, 2018	Jan 1 - Jun 30, 2017
Cash flow from operating activities	-33.3	-65.2
Cash flows from investing activities	952.9	298.9
Cash flows from financing activities	-191.5	-33.1
Net change in cash and cash equivalents	728.2	200.6
Net foreign exchange difference	12.3	-9.9
Cash and cash equivalents at the beginning of the period	1,716.6	1,401.7
Cash and cash equivalents at the end of the period	**2,457.0**	**1,592.4**

Due to foreign exchange differences, cash and cash equivalents of the Group increased by EUR 12.3 million (previous year decrease by EUR 9.9 million).

On the one hand, the improvement of the negative operating cash flow in the first half of 2018 compared with the first half of 2017 is due to higher proceeds from dividends of EUR 37.3 million which mainly relate to Asia Pacific Internet Holding. On the other hand, start-up losses of the New Businesses decreased and outflows for cash-settled share based payments were reduced. Opposing effects mainly include higher cash outflows for the acquisition of operating financial assets (FinTech loans).

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 58.5 million (previous year EUR 44.1 million) were made for acquisitions of non-consolidated companies of which EUR 22.0 million relate to home24 and EUR 23.3 million to various network 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 2018 EUR 1,119.9 million (previous year EUR 301.6 million) in cash for the sale of non-consolidated equity investments, which mainly relates to the sale of Delivery Hero and HelloFresh. Cash paid in connection with short-term financial management of cash investments in the amount of EUR 106.5 million (previous year EUR 32.7 million) mainly relates to payments for the highly liquid, easily convertible into cash listed shares as a part of the Group's strategy to mitigate the exposure to negative interest of EUR 89.0 million (previous year EUR 0.0 million) as well as to cash outflows in connection with short-term bank deposits. 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 3.4 million (previous year EUR 24.3 million) that relates to the repayments of short-term loans to associates, joint ventures and other network companies. Furthermore, an amount of EUR 0.2 million (previous year EUR 0.3 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 0.5 million (previous year decrease of EUR 1.9 million). In the first half of 2018, cash from long-term loans granted to network companies in the amount of EUR 1.5 million (previous year EUR 55.0 million) was also received.

Cash flows from financing activities include the cash-outflows from the repurchase of treasury shares of EUR 233.7 million (previous year EUR 0.0 million) as well as cash-outflows for the repurchase of convertible bonds in the amount of EUR 9.9 million (previous year EUR 37.0 million). Moreover, during the first half of 2018, the Group received payments from non-controlling interests classified as financial liabilities in the course of the equity capital increases at the level of consolidated subsidiaries totaling EUR 51.9 million (previous year EUR 0.0 million). In the first half of 2018, consolidated subsidiaries received loans in the amount of EUR 0.4 million (previous year EUR 2.6 million).

The Group continues to maintain a very good cash position. Cash and cash equivalents amount to EUR 2,457.0 million as of June 30, 2018 (previous year EUR 1,716.6 million). In addition to cash and cash equivalents, the Group has short-term bank deposits of EUR 165.1 million as of June 30, 2018 (previous year EUR 150.0 million) as well as easily convertible into cash listed shares of EUR 87.8 million (previous year EUR 0.0 million).

The Group has fulfilled its payment obligations at all times.

3.3 Asset Position

Assets In EUR million	Jun 30, 2018		Dec 31, 2017	
Non-current assets	1,762.5	38%	1.803,7	40%
Current assets	2,825.2	62%	2.751,6	60%
Assets classified as held for sale	0.4	0%	0.0	0%
Total	4,588.1	100%	4.555,3	100 %

Equity and Liabilities In EUR million	Jun 30, 2018		Dec 31, 2017	
Equity	4,199.3	92%	4.126,1	91%
Non-current liabilities	340.4	7%	298,7	6%
Current liabilities	48.2	1%	130,5	3%
Liabilities directly associated with assets classified as held for sale	0.2	0%	0.0	0%
Total	4,588.1	100%	4.555,3	100%

The Group's largest asset items are cash and cash equivalents (54% of the balance sheet total; previous year 38% of the balance sheet total), shares in associates and joint ventures accounted for pursuant to the equity method (17% of the balance sheet total; previous year 19% of the balance sheet total) and non-current equity instruments recognized at fair value through profit or loss (18% of the balance sheet total; previous year 3% of the balance sheet total). As of December 31, 2017 the balance sheet included non-current available-for-sale financial assets (16% of the balance sheet total) and current available-for-sale financial assets (16% of the balance sheet total). Those were reclassified to equity instruments recognized at fair value through profit or loss in line with the first time application of IFRS 9 starting January 1, 2018.

Non-current assets decreased from EUR 1,803.7 million by EUR 41.2 million to EUR 1,762.5 million. Non-current financial assets increased from EUR 937.9 million by EUR 15.5 million to EUR 953.4 million due to the share price increase in Delivery Hero, granting of non-current loans and investments in new and existing companies.

The decline of investments in joint ventures from EUR 159.4 million by EUR 47.2 million to EUR 112.2 million mainly results from the cash distribution in the amount of EUR 36.9 million received from Asia Pacific Internet Group as well as from the proportionate share of loss of Jumia (EUR 13.6 million).

The decrease of investments in associates from EUR 693.7 million by EUR 10.4 million to EUR 683.3 million mainly results from the disposal of HelloFresh shares for EUR 150.1 million and from a distribution in kind of Maxi Mobility Inc. shares (Cabify) received from Emerging Markets Taxi Holding S.à r.l. in the amount of EUR 6.8 million. These effects were partially offset by a reversal of impairment of Global Fashion Group and the deemed disposal gain attributable to the recent IPO of home24.

Current assets increased from EUR 2,751.6 million by EUR 73.5 million to EUR 2,825.2 million. The change is mainly due to the increase in cash and cash equivalents (EUR 2,456.9 million; previous year 1,716.6 million). More details regarding the liquidity can be found in section 3.2. Furthermore, other current financial assets decreased from EUR 1,014.2 million by EUR 666.5 million to EUR 347.8 million in the first half of 2018, which is mainly related to the sale of Delivery Hero shares to Naspers.

Consolidated total equity increased from EUR 4,126.1 million by EUR 73.2 million to EUR 4,199.3 million. The increase is attributable to the positive comprehensive income for the first half of 2018 of EUR 299.0 million consisting of the profit for the period (EUR 296.6 million) and other comprehensive income, net of tax (EUR 2.4 million). The repurchases of treasury shares (including transaction costs) decreased equity by EUR 233.7 million. Other changes in equity result from the increase of the reserves for equity-settled share-based payments, non-cash dividends to non-controlling interests and changes in scope of consolidation.

Non-current liabilities increased from EUR 298.7 million by EUR 41.6 million to EUR 340.4 million. The increase is mainly due to the recognition of non-controlling interests classified as financial liabilities in the amount of EUR 51.9 million (previous year EUR 0.0 million). Regarding the complete premature repurchase of convertible bonds after the end of the reporting period, please refer to note 12 in the notes to the interim condensed consolidated financial statements.

Current liabilities decreased from EUR 130.5 million by EUR 82.3 million to EUR 48.2 million. The decrease mainly results from the decrease of derivative financial liabilities from EUR 78.3 million by EUR 78.2 million to EUR 0.1 million.

3.4 Key Developments of Selected Companies

The revenue of our selected companies shows ongoing growth compared to the previous year period. HelloFresh increased its revenues by 41% from EUR 435.4 million in the first half of 2017 to EUR 615.2 million in the first half of 2018 or by 53% on a constant currency basis respectively. Revenue of home24 increased by 14%, Westwing by 22% on a like-for-like basis (excluding the operations intended for sale in Brazil, Russia and Kazakhstan) and Global Fashion Group by 5% (20% on a constant currency basis).

The adjusted EBITDA margin of most of our selected companies continued to improve during the first half 2018 compared to the previous year period. In particular, HelloFresh was able to improve the adjusted EBITDA margin (excluding Green Chef) towards break-even.

Additional information on the key developments of unlisted selected companies can be found on the website of the parent company: https://www.rocket-internet.com/investors.

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

The reporting period was characterized by a markedly improved share of profit/loss of associates and joint ventures. Furthermore, in the first half of 2018 net gains on equity instruments recognized at fair value through profit or loss (mainly gains from Delivery Hero) were recognized. Investments were made in existing and new business models. In addition, the selected companies reported revenue increases.

Based on the solid balance sheet structure we are in a good position to continue to incubate companies on the Rocket Internet Platform, operationally support our companies, and participate in other technology companies to build the largest network of promising Internet business models across many sectors in tech.

4. Changes in the Supervisory Board

In the meeting held on June 8, 2018, the Supervisory Board elected Prof. Dr. Joachim Schindler as Deputy Chairman of the Supervisory Board. In the annual general meeting held on June 8, 2018, the number of the members of the Supervisory Board was reduced from eight to four. The term of office of Prof. Dr. h.c. Roland Berger, Stefan Krause, Daniel Shinar and Christopher H. Young ended on June 8, 2018.

Following the reduction of the number of members of the Supervisory Board from eight to four, there are no committees anymore subsequent to June 8, 2018.

5. Forecast Report and Report of Opportunities and Risks

5.1 Forecast Report

The International Monetary Fund recently updated its forecast for the global economy in its economic outlook for 2018 (World Economic Outlook, Update July 2018) and projects global growth at 3.9% for 2018 and 2019. Monetary policy normalization in advanced economies is assumed to proceed in a well-communicated, steady manner. Domestic demand growth (notably investment, which has been an important part of the global recovery) is expected to continue at a strong pace, even as overall output growth slows in some cases where it has been above trend for several quarters. Advanced economy growth is expected to remain above trend at 2.4% in 2018 - similar to 2017 - before easing to 2.2% in 2019. Growth in the euro area economy is projected to slow gradually from 2.4% in 2017 to 2.2% in 2018 and to 1.9% in 2019. Forecasts for 2018 growth have been revised down for Germany and France after activity softened more than expected in the first quarter 2018, and in Italy, where wider sovereign spreads and tighter financial conditions in the wake of recent political uncertainty are expected to weigh on domestic demand. Emerging market and developing economies have experienced powerful crosswinds in recent months: rising oil prices, higher yields in the United States, US dollar appreciation, trade tensions and geopolitical conflict. The overall 2018 and 2019 growth for emerging market and developing economies forecasts at 4.9% and 5.1%, respectively. In Emerging and Developing Europe, growth is projected to moderate from 5.9% in 2017 to 4.3% in 2018 and further to 3.6% in 2019. Financial conditions have tightened for some economies with large external deficits - notably Turkey, where growth is set to soften this year.

Rocket Internet will continue to use its expertise to identify business models and has the necessary means to seize opportunities in the second half of 2018. Rocket Internet will continue to hold and to expand its engagement into interesting and promising online business models.

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 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 New Businesses.

Regarding New Businesses still consolidated after June 30, 2018, Rocket Internet Group expects a moderate increase in consolidated revenue for the financial year 2018. Due to the early stage of our fully consolidated subsidiaries, we continue to expect negative operating results (EBITDA) in the area New Businesses except FinTech entities for 2018 in the range between EUR 10 million to EUR 14 million. In the area FinTech, we expect positive operating results (EBITDA) in the range between EUR 9 million to EUR 13 million.

The result from deconsolidation of subsidiaries is expected to be low for the financial year 2018.

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 positive but below the level of the first half of 2018 share of profit/loss of associates 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, we therefore 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 2018, but EBITDA for 2018 is expected to improve in comparison with 2017 contrary to the forecast in the combined management report 2017.

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 2018 financial year, there are no significant changes compared to the risks and opportunities described in the 2017 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.

In the area of Legal and Compliance Risk a risk regarding the newly enacted General Data Protection Regulation (GDPR) with its increased compliance requirements for protection of consumer data has been identified. The changes to the previous national legislation are mainly relevant for B2C business models. The risk was evaluated and classified as moderate for the Group.

6. Employees

As of June 30, 2018, the fully consolidated companies employed a total of 558 employees thereof 144 outside of Germany. On December 31, 2017, the Group employed a total of 559 employees, thereof 151 abroad.

Berlin, September 19, 2018

Oliver Samwer Peter Kimpel Alexander Kudlich

ROCKET INTERNET

Responsibility Statement

June 30, 2018

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 19, 2018

The Management Board

Oliver Samwer | Peter Kimpel | Alexander Kudlich

About Rocket Internet

Rocket Internet incubates and invests in internet and technology companies globally. 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 33,000 employees. Rocket Internet holds stakes in three significant publicly listed companies: Delivery Hero, HelloFresh and home24. Rocket Internet SE is listed on the Frankfurt Stock Exchange (ISIN DE000A12UKK6, RKET) and is included in the MDAX index. For further information, please visit www.rocket-internet.com.

About this Document

This document is a Consolidated Half-Yearly Financial Report pursuant to Sec. 52 of the Exchange Rules for the Frankfurt Stock Exchange. This Consolidated Half-Yearly Financial Report was prepared on September 19, 2018 (editorial deadline) and was submitted for publication on September 20, 2018 (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. 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

Rocket Internet SE
Charlottenstraße 4
10969 Berlin, Germany

Phone: +49 30 300 13 18-00
Fax: +49 30 300 13 18-99

info@rocket-internet.com
www.rocket-internet.com