ROCKET INTERNET

Quarterly Statement as of September 30, 2017

Rocket Internet SE, Berlin

Non-binding convenience translation from German

Material Events at Rocket Internet Group and Selected Companies during the Third Quarter 2017 at a Glance

- In the third quarter 2017, the share price of Rocket Internet SE increased from EUR 18.83 as of June 30, 2017 by EUR 2.93 to EUR 21.76 as of September 30, 2017. On August 14, 2017, Rocket Internet announced to carry out a share buy-back program with a total maximum consideration (excluding ancillary costs) of up to EUR 100 million and a maximum volume of up to 5,000,000 shares, representing a maximum of up to 3.03% of the outstanding share capital of Rocket Internet. The buy-back started on August 14, 2017 and will end on April 30, 2018. The repurchased shares are intended to be redeemed, reducing Rocket Internet's share capital accordingly. The market capitalization increased from about EUR 3.1 billion as of June 30, 2017, to about EUR 3.6 billion as of September 30, 2017. In the third quarter 2017, average daily trading volume via the electronic computer trading system Xetra recorded on average 392,000 shares (versus 186,000 shares in the third quarter 2016) with an average value of EUR 7.3 million (versus EUR 3.4 million in the third quarter 2016) traded daily.
- On July 27, 2017, Traveloka completed a funding round, in which the lead investor Expedia, Inc. made a USD 350 million primary minority investment. Expedia and Traveloka also agreed to deepen their existing cooperation on global hotel supply. Over the course of its last two funding rounds, East Ventures, Hillhouse Capital Group, JD.com and Sequoia Capital also contributed funding, bringing the total investment amount to approximately USD 0.5 billion within the last year.
- Based on the greenshoe option in connection with the placement of over-allotment shares granted in the course of the IPO of Delivery Hero, on July 28, 2017, (end of stabilization period) the Group sold 4,834,408 Delivery Hero shares and received net proceeds of EUR 121 million.
- On September 28, 2017, Rocket Internet agreed to sell 13% (22,359,857 shares) in Delivery Hero for a cash consideration of EUR 660 million to the global internet and entertainment group Naspers, which was already an investor in Delivery Hero. The agreed price of EUR 29.50 per share is approximately equal to the volume-weighted average Xetra price of the Delivery Hero shares on trading days since initial listing on June 30, 2017. As a result of the transaction Rocket Internet's stake in Delivery Hero will decrease from 26% to 13%. The transaction is subject to regulatory approval and is expected to be closed in the first quarter of 2018. In accordance with IFRS, the share purchase agreement with Naspers is accounted for as a derivative financial liability in the amount of EUR 89 million (carrying amount as of September 30, 2017) and has negatively impacted the financial result in the income statement by this amount in the third quarter of 2017. In contrast, the corresponding share price rise of Delivery Hero is recognized in the statement of comprehensive income increasing equity.
- On September 29, 2017, Rocket Internet decided to spend further up to EUR 100 million (investment amount) on a program to repurchase convertible bonds which are due in 2022 and which were issued in 2015. Under previous buyback programs, the latest of which has been terminated with effect of September 30, 2017, the Company bought back EUR 252 million (nominal) of the original EUR 550 million issuance for EUR 217 million (investment amount), leaving EUR 298 million convertible bonds (nominal) outstanding as of September 30, 2017.

- In May 2017, Global Fashion Group announced a strategic partnership with Emaar Malls PJSC, Dubai (a subsidiary of Emaar Properties PJSC, Dubai) which was closed on August 16, 2017. Pursuant to the partnership agreement, Emaar Malls acquired a 51% stake in Namshi for a consideration of USD 151 million including an investment in Namshi for its future growth.

Results of Rocket Internet Group for the First Nine Months 2017 at a Glance

- Because of the reduced volume of consulting services rendered to our network companies and the deconsolidation of subsidiaries (such as La Nevera Roja, Clickbus Brazil, Somuchmore, Spotcap, Bonnyprints, Vaniday, Pizzabo, ZipJet, Bonativo, SpaceWays) Rocket Internet Group's revenue decreased by 30% to EUR 28 million in the first nine months of 2017 compared to EUR 40 million in the first nine months of 2016.
- The loss for the first nine months 2017 amounts to EUR 44 million and improved significantly in comparison to a loss of EUR 642 million in the prior year period. This result is particularly driven by a markedly improved but still negative 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 – mainly gains realized from the sale of Lazada – and realized gains from the partial sales of now listed Delivery Hero shares. Thereof, the sales agreement with Naspers hit negatively the financial result by EUR 89 million in the third quarter of 2017 as the transaction is not yet closed and was accordingly recorded as derivative financial instrument. The previous year's period result was primarily driven by impairment losses of several associated companies, valuation losses of equity instruments accounted for at fair value through profit or loss and divestments of stakes in various companies.
- Cash and cash equivalents increased from EUR 1,402 million as of December 31, 2016 to EUR 1,782 million as of September 30, 2017 reflecting the proceeds from disposals of shares in Delivery Hero and Lazada.

Key Developments of Selected Companies for the First Nine Months 2017

- The revenue of our selected companies in the first nine months 2017 shows an ongoing growth compared to the prior year period, particularly for HelloFresh (49%), GFG (27%) and Home24 (10%).
- The adjusted EBITDA margin of our selected companies have continued to improve during the first nine months 2017 compared to the prior year period, particularly HelloFresh, GFG as well as the Home & Living entities Westwing and Home24.

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

Rocket Internet Group – Key Figures for the First Nine Months 2017

	Nine months ended September 30		
In EUR million	*2017*	*2016*	*Δ in %*
Revenue	28	40	-30%
Result from deconsolidation of subsidiaries	4	44	-91%
Share of profit/loss of associates and joint ventures	-24	-499	95%
EBITDA	-70	-507	86%
EBIT	-72	-511	86%
Financial result	26	-136	119%
Loss for the period	-44	-642	93%
Total comprehensive income/loss for the period, net of tax	361	-589	161%
Cash and cash equivalents at the end of the period[1)]	1,782	1,504	19%
Cash flow from operating activities	-105	-62	-70%
Cash flows from investing activities	552	-64	965%
Cash flows from financing activities	-45	-135	67%

[1)] Cash and cash equivalents amounted to EUR 1,402 million as of December 31, 2016, including cash and cash equivalents included in the balance sheet position *Assets classified as held for sale*.

Revenue

Revenue decreased primarily due to the lower volume of consulting services rendered to our network companies as well as due to deconsolidations, sales and the winding down of fully consolidated subsidiaries.

Result from deconsolidation of subsidiaries

The result from deconsolidation of subsidiaries in the first nine months 2017 and 2016 mainly originated from the transition of fully consolidated entities to associates and joint ventures (deemed disposal).

Share of profit/loss of associates and joint ventures

The share of profit/loss from associates and joint ventures improved by EUR 475 million in the first nine months 2017 in comparison to the prior year period, but remains negative. The net loss of EUR 24 million reflects impairment losses of the shares in joint ventures as well as to a minor degree losses of the Group's share of profit/loss from associated companies and joint ventures. Those effects were partially compensated by deemed disposal gains from financing rounds at Traveloka and HelloFresh and by reversal of 2016 impairment losses at Global Fashion Group.

In the first nine months 2016, the share of profit/loss from associates and joint ventures mainly included impairments attributable to Global Fashion Group and Linio.

EBITDA / EBIT

EBITDA improved significantly from negative EUR 507 million in the first nine months 2016 by EUR 437 million to negative EUR 70 million in the first nine months 2017. The EBITDA improvement was mainly driven by reduced net losses from the share of profit/loss of associates and joint ventures and the decline in other operating expenses. Lower revenues and the decrease in the result from deconsolidation of subsidiaries negatively impacted the EBITDA. Accordingly, EBIT increased significantly from negative EUR 511 million by EUR 439 million to negative EUR 72 million in the same period.

Financial result

The financial result improved by EUR 162 million including net changes (gains and losses) in fair value of equity instruments accounted for at fair value through profit or loss – mainly gains realized from the sale of Lazada – other comprehensive income reclassified to profit or loss ("OCI recycling") from the partial sales of Delivery Hero shares in the course of secondary and greenshoe transactions, net foreign exchange losses that relate to loans as well as to cash and cash equivalents and interest expense from convertible bonds. Furthermore, the agreement with Naspers to sell 22,359,857 shares in Delivery Hero that is accounted for as a derivative financial liability hit the financial result by EUR 89 million in the third quarter of 2017.

Loss for the period

The loss for the first nine months 2017 improved by EUR 598 million to EUR 44 million in comparison to a loss of EUR 642 million in the prior year period. The first nine months 2017 were characterized by a EUR 475 million improved but still negative share of profit/loss of associates and joint ventures as well as a by a EUR 162 million improved financial result. These positive effects have been negatively impacted by a EUR 40 million lower result from the deconsolidation of subsidiaries.

The financial result includes the EUR 89 million expense resulting from the abovementioned agreement with Naspers. In contrast, the corresponding share price rise of Delivery Hero is recognized in the statement of comprehensive income increasing the equity.

Total comprehensive income/loss for the period, net of tax

The total comprehensive income/loss for the period, net of tax improved significantly from negative EUR 589 million by EUR 951 million to EUR 361 million and mainly includes the net gain on available-for-sale financial assets recognized in other comprehensive income which almost exclusively reflect the positive share price performance of Delivery Hero.

Cash and cash equivalents / Cash flow

Cash and cash equivalents increased from EUR 1,402 million as of December 31, 2016 by EUR 380 million to EUR 1,782 million as of September 30, 2017. The cash flow from operating activities decreased by EUR 43 million to negative EUR 105 million primarily driven by the net change in operating financial assets and the higher payouts for cash settled share-based payments. In the first nine months 2017, the cash flows from investing activities of EUR 552 million were characterized by the proceeds from the sale of non-consolidated equity instruments; primarily Delivery Hero and Lazada. The cash flows from financing activities in the amount of negative EUR 45 million reflect the repurchase of convertible bonds. In addition to cash and cash equivalents, the Group had short-term restricted bank deposits of EUR 150 million as of September 30, 2017 (EUR 163 million as of December 31, 2016). Overall, the bank balances amounted to EUR 1,932 million as of September 30, 2017.

Events after the Reporting Period

On November 2, 2017, HelloFresh completed its IPO raising approximately EUR 277 million (gross proceeds without exercise of the greenshoe option) in primary capital. The shares were sold in the mid-point of the initial price range at a price of EUR 10.25 per share. The market capitalization of HelloFresh after the IPO amounted to EUR 1.6 billion (assuming no exercise of the greenshoe option). Due to the capital increase at HelloFresh the participation quota of the Group decreased to 44.2% (considering treasury shares and excluding the shares held as trustee). As of September 30, 2017 the Group held a share of 53.3% of HelloFresh.

Under the share buy-back program the Group repurchased a total of 289,791 shares at a volume-weighted average price of EUR 20.04 until November 15, 2017.

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

About Rocket Internet

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

About this Document

This document is a Quarterly Statement pursuant to Sec. 50 of the Exchange Rules for the Frankfurt Stock Exchange. This Quarterly Statement was prepared on November 29, 2017 (editorial deadline) and was submitted for publication on November 30, 2017 (publication date).

Disclaimer and other Notes

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

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

The financial figures have been prepared in conformity with International Financial Reporting Standards (IFRS) as adopted by the EU. This Quarterly Statement is not 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 network companies shown in the Quarterly Statement 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.

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Imprint

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