ROCKET INTERNET

Interim Condensed Consolidated Financial Statements for the Period January 1 to June 30, 2019

(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, 2019

Income Statement In EUR million	Jan 1 - Jun 30, 2019	Jan 1 - Jun 30, 2018
Revenue[1)]	31.5	23.7
Other operating income	6.2	1.9
Result from deconsolidation of subsidiaries	0.3	-0.1
Cost of materials and cost of financial services	-6.9	-4.5
Employee benefit expenses	-17.0	-26.3
Other operating expenses	-15.4	-15.4
Share of profit/loss of associates and joint ventures	261.4	99.3
EBITDA	**260.1**	**78.7**
Depreciation and amortization	-2.7	-0.5
Impairment of non-current assets	-5.6	0.0
EBIT	**251.8**	**78.2**
Financial result	**300.9**	**217.8**
Finance costs	-29.9	-32.6
Finance income	330.8	250.4
Profit before tax	**552.7**	**296.0**
Income taxes	-5.1	0.6
Profit for the period	**547.5**	**296.6**
Thereof attributable to equity holders of the parent	550.1	297.0
Thereof attributable to non-controlling interests	-2.6	-0.4
Earnings per share (in EUR)	**3.65**	**1.84**

Statement of Comprehensive Income In EUR million	Jan 1 - Jun 30, 2019	Jan 1 - Jun 30, 2018
Profit for the period	**547.5**	**296.6**
Exchange differences on translation of foreign operations	0.1	2.0
Share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	6.3	0.5
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	-0.1
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**6.3**	**2.4**
Other comprehensive income for the period, net of tax	**6.3**	**2.4**
Total comprehensive income for the period, net of tax	**553.9**	**299.0**
Thereof attributable to equity holders of the parent	556.6	297.9
Thereof attributable to non-controlling interests	-2.7	1.1

1) Thereof EUR 17.2 million interest income (previous year: EUR 8.0 million) according to IAS 1.82(a)

Rocket Internet SE, Berlin

Interim Consolidated Balance Sheet as of June 30, 2019

Assets

In EUR million	Jun 30, 2019	Dec 31, 2018
Non-current assets	**1,442.1**	**1,602.8**
Property, plant and equipment	4.4	2.7
Right-of-use assets	47.2	0.0
Intangible assets	1.8	7.7
Investments in associates and joint ventures	521.8	820.1
Non-current financial assets	865.5	770.6
Other non-current non-financial assets	1.3	1.6
Current assets	**3,291.3**	**2,509.4**
Inventories	0.0	0.1
Trade receivables	5.0	3.7
Other current financial assets	739.8	774.4
Other current non-financial assets	3.2	3.2
Income tax assets	7.4	8.1
Cash and cash equivalents	2,535.9	1,720.0
Total assets	**4,733.4**	**4,112.1**

Equity and liabilities

In EUR million	Jun 30, 2019	Dec 31, 2018
Equity	**4,557.5**	**3,999.7**
Subscribed capital	152.5	152.5
Treasury shares	-81.9	-81.9
Capital reserves	2,849.5	2,850.0
Retained earnings	1,630.7	1,076.8
Other components of equity	-5.9	-12.3
Equity attributable to equity holders of the parent	4,544.8	3,985.1
Non-controlling interests	12.7	14.6
Non-current liabilities	**130.1**	**88.1**
Lease liabilities	53.9	0.0
Other non-current financial liabilities	73.8	77.5
Other non-current non-financial liabilities	0.5	10.2
Deferred tax liabilities	1.8	0.3
Current liabilities	**45.8**	**24.4**
Lease liabilities	4.7	0.0
Trade payables	9.9	8.0
Other current financial liabilities	14.8	4.8
Other current non-financial liabilities	8.5	9.1
Income tax liabilities	7.8	2.4
Total equity and liabilities	**4,733.4**	**4,112.1**

Rocket Internet SE, Berlin

Interim Consolidated Statement of Changes in Equity for the Period January 1 to June 30, 2019

	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						
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 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**
Balance as of Dec 31, 2018 as previously reported	**152.5**	***1,747,104***	**-81.9**	**2,850.0**	**1,076.8**	**-12.3**	**3,985.1**	**14.6**	**3,999.7**
First time application of IFRS 16					-0.9		-0.9		-0.9
Adjusted equity as of Jan 1, 2019	**152.5**	***1,747,104***	**-81.9**	**2,850.0**	**1,075.9**	**-12.3**	**3,984.2**	**14.6**	**3,998.8**
Profit for the period					550.1		550.1	-2.6	547.5
Other comprehensive income for the period, net of tax						6.4	6.4	-0.1	6.3
Total comprehensive income for the period, net of tax					550.1	6.4	556.6	-2.7	553.9
Use of income tax benefits associated with transaction costs				0.9			0.9		0.9
Proceeds from non-controlling interests				0.2			0.2	0.1	0.3
Changes in scope of consolidation and other changes in non-controlling interests				-1.6	1.0		-0.6	0.6	0.0
Equity-settled share-based payments (IFRS 2)					3.7		3.7	0.0	3.7
	0.0	*0*	0.0	-0.6	554.8	6.4	560.6	-1.9	558.7
Jun 30, 2019	**152.5**	***1,747,104***	**-81.9**	**2,849.5**	**1,630.7**	**-5.9**	**4,544.8**	**12.7**	**4,557.5**

Rocket Internet SE, Berlin

Interim Consolidated Statement of Cash Flows for the Period January 1 to June 30, 2019

	In EUR million	Jan 1 - Jun 30, 2019	Jan 1 - Jun 30, 2018
1.	**Cash flow from operating activities**		
	Profit before tax	552.7	296.0
	Adjustments to reconcile profit before tax to net cash flow:		
+	Depreciation of right-of-use assets, property, plant and equipment and amortization of intangible assets	2.7	0.5
+	Impairment of non-current assets	5.6	0.0
+	Equity-settled share-based payment expense	3.7	10.2
-/+	Gain/loss from deconsolidations	-0.3	0.1
-/+	Currency translation gain/loss	-0.8	-13.5
-/+	Other non-cash income/expenses	0.1	0.0
-/+	Fair value adjustments of equity instruments FVTPL	-293.3	-207.8
-	Finance income	-6.3	-7.1
+	Finance costs	0.6	9.9
-/+	Share of profit or loss of associated companies and joint ventures (equity method)	-261.4	-99.3
-/+	Change in trade working capital	0.6	0.8
-/+	Change in other assets and liabilities	3.2	2.5
+/-	Adjustments for net change in operating financial assets	-63.1	-65.6
+	Dividends received	0.3	37.3
+	Interest received	17.4	7.4
-	Interest paid	-3.2	-4.6
-/+	Income tax payments	4.5	-0.1
=	**Cash flow from operating activities**	**-37.0**	**-33.3**
2.	**Cash flows from investing activities**		
-	Purchase of property, plant and equipment	-2.0	-0.2
-	Cash paid for investments in intangible assets	-0.1	0.0
+	Proceeds from disposal of non-consolidated equity investments	854.8	1,119.9
-	Cash outflows for acquisitions of non-consolidated equity investments	-89.9	-58.5
-	Transaction costs related to disposal of non-consolidated equity investments	0.0	-4.4
+/-	Cash inflows/outflows from changes in scope of consolidation	-0.1	-0.5
+	Cash received in connection with short-term financial management of cash investments	569.8	3.4
-	Cash paid in connection with short-term financial management of cash investments	-476.7	-106.5
+	Cash received in connection with the repayment of long-term financial assets	0.0	1.5
-	Cash paid in connection with the acquisition of financial assets and granting of long-term financial assets	0.0	-1.8
=	**Cash flows from investing activities**	**855.9**	**952.9**
3.	**Cash flows from financing activities**		
-	Purchase of treasury shares including transaction cost	0.0	-233.7
-	Repurchase of convertible bonds	0.0	-9.9
+	Proceeds from non-controlling interests	0.3	0.0
+	Proceeds from non-controlling interests classified as financial liabilities	12.7	51.9
-	Repayment of non-controlling interests classified as financial liabilities	-15.3	0.0
-	Redemption of lease liabilities	-2.3	0.0
+	Proceeds from borrowings	0.1	0.4
-	Repayment of borrowings	-0.1	-0.2
=	**Cash flows from financing activities**	**-4.6**	**-191.5**
4.	**Cash and cash equivalents at the end of the period**		
	Net change in cash and cash equivalents (subtotal of 1 to 3)	814.3	728.2
	Net foreign exchange difference	1.8	12.3
	Change of loss allowance within cash and cash equivalents	-0.1	0.0
	Cash and cash equivalents at the beginning of the period	1,720.0	1,716.6
	Cash and cash equivalents at the end of the period	**2,535.9**	**2,457.0**

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 equity interests in the long term 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, 2019. If not otherwise stated comparative figures for the balance sheet are as of December 31, 2018 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, 2018.

2. Basis of Preparation and Accounting Policies

Basis of preparation

The unaudited interim condensed consolidated financial statements for the period January 1 to June 30, 2019 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, 2018 (consolidated financial statements 2018). These consolidated financial statements have been prepared in accordance with the 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.

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.

The Group comprises one single operating and reportable segment.

Mandatory adoption of new accounting standards

The accounting policies applied for the consolidated financial statements as of December 31, 2018 are substantially unchanged, except as disclosed below.

IFRS 16 Leases: IFRS 16 establishes new rules for lease accounting. The standard obliges lessees to recognize essentially all leases on the balance sheet. There are no accounting difference between leases and purchases financed by loans. The new standard leads to an increase of non-current assets in the consolidated balance sheet (recognition of right-of-use assets) and an increase in financial liabilities (recognition of payment obligations). According to IFRS 16 every leasing or rental arrangement within the scope of IFRS 16 shall be shown on the balance sheet. The standard provides practical expedients for short-term leases with a maturity of up to 12 months and leases of low value assets. In the income statement, interest expenses are recognized on the outstanding lease liabilities while depreciation is recognized for the right-of-use assets. While the depreciation expense is typically evenly spread over time, the interest expense is reduced over the term of the lease (frontloading effect). The frontloading effect results in a decrease of expenses as the lease progresses compared to the linear distribution of expenses for operating leases in accordance with IAS 17. However, EBITDA does not improve proportionately to the increase in financial liabilities. As a consequence, the ratio of net financial liabilities to EBITDA (relative indebtedness) deteriorates although there has been no economic change.

Rocket Internet is predominantly a lessee of real estate.

Rocket Internet applied IFRS 16 for the first time as of January 1, 2019 using the modified retrospective approach without adjusting the prior year period. The lease liability was measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The right-of-use asset was measured as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average incremental borrowing rate applied at the date of initial application was 2.21%. Rocket Internet recognized as of January 1, 2019 right-of-use assets in the amount of EUR 49.3 million and lease liabilities in the amount of EUR 61.0 million and derecognized lease incentive liabilities in the amount of EUR 10.7 million. The cumulative effect of initial application of negative EUR 0.9 million was recognized directly in equity on January 1, 2019. Leases with a maturity of up to 12 months and leases of low value assets were not recognized. The difference between the rental and lease commitments disclosed applying IAS 17 in the reporting period 2018 (EUR 79.1 million) and the lease liabilities recognized according to IFRS 16 as of January 1, 2019 (EUR 61.0 million) is due to ancillary rental costs, discounting effects and renewal options.

Due to the depreciation of the right-of-use assets and the recognition of interest expenses instead of the recognition of leasing expenses, EBITDA improved by EUR 3.0 million in the first half 2019. For the total financial year 2019 an effect on EBITDA of EUR 5.9 million is expected. No significant effect is expected on total profit or loss. In addition, lease payments relating to the principal portion of the lease are no longer recognized in the cash flow from operating activities, but in the cash flows from financing activities. Due to this reclassification the cash flow from operating activities increased by EUR 2.3

million in the first half of 2019. The cash flows from financing activities decreased by EUR 2.3 million respectively. For the total financial year 2019 an effect of EUR 4.7 million is expected.

IAS 40 Investment Properties: The right-of-use assets recognized in line with the first time application of IFRS 16 are partly investment properties subject to the regulations of IAS 40. Therefore, Rocket Internet applies the accounting rules for investment properties of IAS 40 since January 1, 2019 prospectively.

Rocket Internet applies the cost model, i.e. investment properties are measured in line with IFRS 16 at cost less any accumulated depreciation and impairment losses and are adjusted for any remeasurement of the lease liability due to a reassessment or lease modifications.

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 2018. New judgments, estimates and assumptions made by the Group during the first half of 2019 are described below.

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 2019, the market capitalization of the Group developed as follows:

Trading Date	Closing Price[1)] EUR per share	Market Capitalization[2)] in EUR million
Dec 28, 2018	20.18	3,042.5
Jan 31, 2019	22.02	3,319.9
Feb 28, 2019	20.68	3,117.9
Mar 29, 2019	22.60	3,407.3
Apr 30, 2019	23.50	3,543.0
May 31, 2019	23.92	3,606.4
Jun 28, 2019	25.36	3,823.5

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

As of June 30, 2019, the market capitalization of the Group was below the carrying amount of its equity. The Group tested its non-current assets for impairment and recognized impairment losses of EUR 5.6 million, thereof EUR 4.5 million goodwill and EUR 1.1 million acquired brands and customer base. The recoverable amount was based on the fair value less costs of disposal. As of June 30, 2019, the Group does not have any material assets within the scope of IAS 36 with the exception of right-of-use assets from leases.

Scope of consolidation

As a result of Rocket Internet's business model, i.e. the identification, incubation and operational development of as well as strategic investment 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, 2019	26	40	66
First-time consolidation	0	3	3
Foundings	5	3	8
Transition to associates/joint ventures	0	-1	-1
Deconsolidation of inactive subsidiaries and liquidations	-1	0	-1
As of Jun 30, 2019	30	45	75

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, 2019, the Group has 41 associated companies/joint ventures. Their number has developed as follows:

	Germany	Other countries	Total
As of Jan 1, 2019	19	23	42
Foundings	0	1	1
Aquisitions	1	0	1
Transition from former fully consolidated entities	0	1	1
Transition to other investments	-2	-1	-3
Disposals	-2	0	-2
Other changes	0	1	1
As of Jun 30, 2019	16	25	41
thereof at equity	*13*	*18*	*31*
thereof at FVTPL[1]	*3*	*7*	*10*

[1] Fair value through profit or loss

For more information regarding associates and joint ventures please refer to note 4.

3. Revenue

Revenue for the period comprises the following:

In EUR million	Jan 1 - Jun 30, 2019		Jan 1 - Jun 30, 2018	
Revenue from contracts with customers (IFRS 15)	10.6	33%	12.1	51 %
Other revenue	21.0	67%	11.6	49 %
Total	**31.5**	**100%**	**23.7**	**100 %**

Other revenue mainly comprises interest revenue (IFRS 9) in the amount of EUR 17.5 million (previous year period EUR 8.3 million), which is reported as revenue depending on the respective business model of the Group entities, and revenue from the sublease of office space (IFRS 16, previous year IAS 17) in the amount of EUR 3.5 million (previous year period EUR 3.3 million) (excluding service charges).

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

In EUR million	Jan 1 - Jun 30, 2019		Jan 1 - Jun 30, 2018	
Type of revenue				
Rendering of services	10.1	96%	10.6	88%
Sale of goods	0.4	4%	1.4	12%
Revenue IFRS 15	**10.6**	**100%**	**12.1**	**100%**
Geographical markets				
Germany	5.4	51%	5.7	48%
Rest of Europe	4.2	40%	5.2	43%
Rest of the World	1.0	9%	1.1	9%
Revenue IFRS 15	**10.6**	**100%**	**12.1**	**100%**
Timing of transfer of goods or services				
At a point in time	5.8	55%	7.1	59%
Over time	4.8	45%	4.9	41%
Revenue IFRS 15	**10.6**	**100%**	**12.1**	**100%**

Revenue generated from rendering of services primarily results from rendering of intermediation services (specialized online and mobile transaction platforms for goods and services (marketplaces)), from consulting services provided to network companies as well as from reselling services purchased from third parties.

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.

4. Investments in Associates and Joint Ventures

Investments accounted for using the equity method:

In EUR million	Jun 30, 2019	Dec 31, 2018
Investments in associates	502.7	735.5
Investments in joint ventures	19.1	84.7
Investments in associates and joint ventures	**521.8**	**820.1**

The decrease of investments in associates by EUR 232.8 million primarily originates from the disposal of shares in HelloFresh and Westwing, as well as the pro-rata losses, impairment, disposal and reclassification into other non-current financial assets of shares in home24. As a result of the sale of shares in the first half of 2019, the Group's shareholding in home24 fell below 20%, following this Rocket Internet has no longer significant influence. Other effects include the pro rata losses of other associates accounted for using the equity method such as Global Fashion Group and Traveloka as well as pro-rata gains of RICP.

The decrease of interest in joint ventures by EUR 65.6 million mainly results from the reclassification of Jumia from joint ventures to other non-current financial assets. In the first half of 2019, the Group's shareholding fell below 20% as a result of the IPO of Jumia, so that the Group neither jointly controls Jumia nor has a significant influence over it.

In the first half of 2019, impairment losses (net balance of impairment losses and reversals of impairment losses) in the total amount of negative EUR 14.5 million were recognized (previous year period gain from reversals of impairment losses of EUR 28.7 million).

In the first half of 2019, the Group has made cash investments of EUR 47.5 million (previous year period EUR 28.7 million) in associated companies and EUR 0.5 million (previous year period EUR 6.1 million) in joint ventures 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:

				Ownership		
Trade name	Name of associate	Registered office	Principal activity	Jun 30, 2019	Dec 31, 2018	Jun 30, 2018
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%	20.2%
HelloFresh	HelloFresh SE	Berlin	eCommerce	n/a	30.6%	36.2%
home24	home24 SE	Berlin	eCommerce	n/a	32.6%	34.0%
Westwing	Westwing Group AG	Berlin	eCommerce	n/a	21.5%	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 and Rocket Internet Capital Partners II 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 to RICP amounts to EUR 131.7 million (consisting of USD 100.0 million and EUR 43.8 million) of which a total amount of EUR 85.0 million was called until June 30, 2019.

On February 1, 2019, the Rocket Internet Capital Partners II Fund (“RICP II”) held its first close.

RICP II invests jointly with Rocket Internet (co-investment ratio: 80% RICP II; 20% Rocket Internet).

The total commitment of Rocket Internet SE to RICP II amounts to EUR 88.3 million. Until June 30, 2019, no funds had been called.

Rocket Internet has pledged short-term financial assets amounting to EUR 320.6 million as collateral for a short-term credit facility of RICP and RICP II. As of June 30, 2019, RICP and RICP II have drawn down EUR 101.9 million of that credit facility.

5. 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, 2019	Dec 31, 2018	Jun 30, 2018
Balance sheet line item Cash and cash equivalents	2,535.9	1,720.0	2,456.9
Cash and bank balances included in the assets classified as held for sale	0	0	0.1
Cash and cash equivalents	**2,535.9**	**1,720.0**	**2,457.0**

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.

6. Share Capital and Reserves

As of December 31, 2018, subscribed capital (share capital) amounted to EUR 152.5 million and was fully paid-in. The registered share capital was divided into 152,514,398 no-par value bearer shares. 1,747,104 treasury shares were held by the Company.

Subscribed capital and the number of treasury shares held did not change during the first half of 2019.

During the first half of 2019 and 2018, no dividends were declared or paid to the shareholders of the parent company.

During the first half of 2019 no distributions were made. During the first half of 2018, a fully consolidated subsidiary made a non-cash distribution of EUR 0.9 million to non-controlling interests.

7. Share-Based Compensation – Equity-Settled Arrangements

The Group maintains a number of equity-settled share-based compensation arrangements, under which the Group receives 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, 2018, there were no major changes with regard to these plans.

8. 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 and the hierarchy for the determination of fair value according to IFRS 13.

In EUR million	Measured at	Level	Carrying amount Jun 30, 2019	Carrying amount Dec 31, 2018	Fair value Jun 30, 2019	Fair value Dec 31, 2018
Non-current financial assets			865.5	770.6	865.5	770.5
Equity instruments – listed companies	FV	1	291.7	384.6	291.7	384.6
Equity instruments – unlisted companies	FV	3	321.2	224.4	321.2	224.4
thereof Europe			*157.7*	*126.8*	*157.7*	*126.8*
thereof United States			*150.0*	*87.4*	*150.0*	*87.4*
thereof Rest of world			*13.5*	*10.3*	*13.5*	*10.3*
Asset backed securities issued by third parties	AC	3	0	5.7	0	5.7
Loan receivables from associated companies	AC	3	8.7	15.9	8.7	15.9
Loan receivables from third parties	AC	3	223.7	123.0	223.7	123.0
Other non-current financial assets measured at fair value	FV	3	16.3	13.3	16.3	13.3
Other non-current financial assets	AC	3	3.9	3.6	3.9	3.6
Current financial assets			739.8	774.4	739.8	774.4
Loan receivables from associated companies and joint ventures	AC	n/a	3.8	13.4	3.8	13.4
Asset backed securities issued by associated companies	AC	n/a	5.6	7.5	5.6	7.5
Receivables from the sale of investments	AC	n/a	6.2	9.2	6.2	9.2
Bank deposits[1)]	AC	n/a	542.3	185.1	542.3	185.1
Equity instruments – listed companies	FV	1	108.3	462.5	108.3	462.5
Derivative financial assets	FV	2	0.1	0.7	0.1	0.7
Loan receivables from third parties	AC	n/a	70.0	91.7	70.0	91.7
Other current financial assets	AC	n/a	3.4	4.4	3.4	4.4
Trade receivables	AC	n/a	5.0	3.7	5.0	3.7
Cash and cash equivalents	AC	n/a	2,535.9	1,720.0	2,535.9	1,720.0

[1)] Thereof EUR 340.6 million (December 31, 2018 EUR 184.9 million) pledged as collateral for short-term credit facilities of structured entities.

In EUR million	Measured at	Level	Carrying amount Jun 30, 2019	Carrying amount Dec 31, 2018	Fair value Jun 30, 2019	Fair value Dec 31, 2018
Non-current lease liabilities	AC	n/a	53.9	0	n/a	n/a
Other non-current financial liabilities			73.8	77.5	73.8	77.5
Non-controlling interests classified as financial liabilities	AC	3	72.7	75.3	72.7	75.3
Loan liabilities	AC	3	0	1.7	0	1.7
Other non-current financial liabilities	AC	3	1.2	0.6	1.2	0.6
Current lease liabilities	AC	n/a	4.7	0	n/a	n/a
Other current financial liabilities			14.8	4.8	14.8	4.8
Non-controlling interests classified as financial liabilities	AC	n/a	2.2	2.2	2.2	2.2
Loan liabilities	AC	n/a	3.1	1.4	3.1	1.4
Derivative financial liabilities	FV	2	0.1	0	0.1	0
Other current financial liabilities	AC	n/a	9.3	1.2	9.3	1.2
Trade payables	AC	n/a	9.9	8.0	9.9	8.0
Thereof aggregated according to the measurement categories of IFRS 9						
Financial assets measured at fair value through profit or loss (fvtpl)[1)]			737.7	1,085.5	737.7	1,085.5
Financial assets measured at amortized cost (faac)			3,408.6	2,183.1	3,408.5	2,183.1
Financial liabilities measured at fair value through profit or loss (flfv)			0.1	0	0.1	0
Financial liabilities measured at amortised cost (flac)			157.1	90.4	98.5	90.4

[1)] Including associated companies that are measured at FVTPL according to IAS 28.18

The following **measurement methods** were used:

AC – Amortized 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 significant transfers of fair values between level 1, level 2 and level 3 in the first half of 2019 and 2018.

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

First half of 2019

In EUR million	Equity instruments – unlisted companies	Other non-current financial assets measured at fair value	Total
Opening balance as of Jan 1, 2019	**224.4**	**13.3**	**237.7**
Additions	41.8	0.3	**42.1**
Reclassification	2.5	0	**2.5**
Changes in fair value recognized in profit or loss	60.0	2.8	**62.8**
Disposals	-7.6	0	**-7.6**
Closing balance as of Jun 30, 2019	**321.2**	**16.3**	**337.5**
Unrealized changes in fair value recognized in profit or loss	58.8	2.8	**61.6**

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, 2019	**126.8**	**87.4**	**10.3**	**224.4**
Additions	11.4	28.4	2.1	**41.8**
Reclassification[1)]	2.5	0	0	**2.5**
Changes in fair value recognized in profit or loss	18.4	40.5	1.2	**60.0**
Disposals	-1.4	-6.2	0	**-7.6**
Closing balance as of Jun 30, 2019	**157.7**	**150.0**	**13.5**	**321.2**
Unrealized changes in fair value recognized in profit or loss	20.1	37.5	1.2	**58.8**

[1)] The reclassification mainly refers to the reclassification of Zipjet Global S.à r.l. from associates to other non-current financial assets in the amount of EUR 2.6 million.

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	22.9
Changes in fair value recognized in profit or loss	7.4	0.8	3.6	11.8
Disposals	-47.2	0	-1.5	-48.7
Closing balance as of Jun 30, 2018	**165.8**	**4.3**	**6.4**	**176.5**
Unrealized changes in fair value recognized in profit or loss	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	**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**
Unrealized changes in fair value recognized in profit or loss	-3.6	11.2	0	7.6

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 balance sheet 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 a higher 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 100% (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 derive 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 1.00% (previous year 1.00%). Country risk premiums between 0% and 9.03% (previous year 0% and 12.72%) and a small cap premium of 3.67% (previous year 3.67%) are also applied. Long-term inflation rates between 0.32% and 12.00% (previous year 0.5% and 13.0%) are also used in the calculation, as forecast by the International Monetary Fund (IMF). For additional risk premiums, surcharges of between 0% and 40.2% (previous year 14.5% and 40.2%) 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 0.8x to 10.5x (previous year 0.8x to 13.4x) and/or EBITDA multiples in the range of 5.7x to 29.5x (previous year 5.7x to 29.5x) are applied. The multiples are derived from comparable transactions or comparable listed companies in the capital markets. 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, 2019, 8% (previous year 21%) of Rocket Internet's total assets were listed equity instruments and 7% (previous year 5%) were unlisted equity instruments measured at fair value through profit or loss.

On June 30, 2019, 6% (previous year 4%) 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.

Associated companies measured at FVTPL

During the first half of 2019 investments of EUR 0.7 million (previous year EUR 0 million) 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 classified by geographical location (Europe, United States, Rest of world) in the following tables. The sensitivity analysis was carried out as of June 30, 2019 for the main input factors: the probability of occurrence for exit scenarios as well as the cost of capital.

Europe In EUR million		Cost of capital +20%	 0%	 -20%
Probability of occurrence for exit scenarios	-20%	139.5	157.5	198.2
	0%	139.4	**157.7**	198.8
	+20%	139.4	157.8	199.2

United States In EUR million		Cost of capital +20%	 0%	 -20%
Probability of occurrence for exit scenarios	-20%	140.1	150.4	174.1
	0%	139.6	**150.0**	173.8
	+20%	139.4	149.9	173.6

Rest of world In EUR million		Cost of capital +20%	 0%	 -20%
Probability of occurrence for exit scenarios	-20%	13.0	13.5	14.8
	0%	13.1	**13.5**	14.9
	+20%	13.1	13.7	14.9

9. Contingent Liabilities and Other Contractual Obligations

Except for the pledging of short-term financial assets described in note 4, there are no contingencies for external liabilities as of the reporting date.

The Group reports other contractual obligations for the following items:

In EUR million	Jun 30, 2019	Dec 31, 2018
Capital contribution obligations to non-consolidated structured entities	135.0	62.8
Loans granted to third parties	78.2	32.3
Rental and lease agreements (including ancillary costs)	15.4	79.1
Capital contribution obligations to associates	10.7	0
Loans granted to non-consolidated subsidiaries	0.2	0
Capital contribution obligations to third parties	0	6.5
Total contractual obligations	**239.4**	**180.8**

Capital contribution obligations to non-consolidated structured entities result from participation agreements concluded prior to the balance sheet date. They mainly result from commitments to RICP and RICP II.

Rental and lease agreements (excluding ancillary costs) are recognized as liabilities in the balance sheet since the initial application of IFRS 16 as of January 1, 2019, and do not represent contractual obligations anymore. As of June 30, 2019 only the ancillary costs and obligations from contracts with a maturity of up to 12 months and contracts of low value items are disclosed as contractual obligation.

10. 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, registered office	Voting rights Jun 30, 2019	Voting rights Dec 31, 2018
Global Founders	Global Founders GmbH, Grünwald (Germany)[1)]	40.6%	40.6%

[1)] 33.3% of the shares in Global Founders GmbH are indirectly held by Oliver Samwer Familienstiftung.

Please refer to the disclosures in Section 7 of the combined management report 2018 (shareholdings that exceed 10% of voting rights).

No transactions were conducted with Global Founders GmbH in the first half of 2019 and 2018.

Transactions with associated companies and joint ventures

The transactions in the period January 1 to June 30, 2019 and January 1 to June 30, 2018 and outstanding balances with associates are as follows:

In EUR million	Jan 1 - Jun 30, 2019	Jan 1 - Jun 30, 2018
Sales to associates	1.3	2.9
Purchases from associates	-0.2	0
Interest income from associates	0.2	0.3
Dividends received from associates	0.2	7.1

In EUR million	Jun 30, 2019	Dec 31, 2018
Receivables from associates		
Non-current loan receivables	8.7	15.9
Trade receivables	0.3	0.4
Current loan receivables	2.6	12.2
Asset backed securities issued by associated companies	5.6	7.5
Liabilities to associates		
Other current financial liabilities	0.9	0.9

The transactions in the period January 1 to June 30, 2019 and January 1 to June 30, 2018 and outstanding balances with joint ventures are as follows:

In EUR million	Jan 1 - Jun 30, 2019	Jan 1 - Jun 30, 2018
Sales to joint ventures	0.1	0.5
Dividends received from joint ventures	0	36.9

In EUR million	Jun 30, 2019	Dec 31, 2018
Receivables from joint ventures		
Trade receivables	0.1	0.2
Current loan receivables	1.1	1.1
Liabilities to joint ventures		
Trade payables	0	0.1

Transactions with members of the key management personnel

In April 2019 Nobert Lang, member of the Advisory Board, received 100,000 shares of Rocket Internet SE in line with the dissolution of NBL Vermögensverwaltung GmbH & Co. KG, whose limited partners were Norbert Lang and his wife.

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 May 2018, the shareholder PLDT Inc., 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.

Other related party transactions with members of the key management personnel in the first half of 2019 are of the same character as the transactions described in the consolidated financial statements 2018.

Transactions with close family members of the Management Board

In February 2019, the Group participated as a limited partner in Linus Debt Invest DACH I GmbH & Co. KG, Berlin, with a liable capital contribution of EUR 100 and a mandatory contribution of EUR 33.0 million. In the first half of 2019, the Group paid out net capital contributions (after deducting the withdrawals received) totaling EUR 22.3 million. Linus Debt Invest DACH I GmbH & Co. KG is an externally managed closed special AIF within the meaning of the Capital Investment Code (KAGB). Linus Management 1 GmbH, Berlin, and Linus GmbH, Berlin, are authorized to manage Linus Debt Invest DACH I GmbH & Co. KG. Linus Management 2 GmbH, Berlin, an authorized capital management company under sections 2 (4) and 44 KAGB was appointed as an external capital management company within the meaning of section 17 KAGB. The aforementioned companies are indirectly controlled by Alexander Samwer. The Group accounts for its participation in Linus Debt Invest DACH I GmbH & Co. KG as associate using the equity method.

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.

On November 30, 2018, Rocket Internet concluded a loan agreement with Linus Debt Invest 1 GmbH & Co. KG, Berlin, and Linus Debt Invest 3 GmbH & Co. KG, Berlin, (both companies are indirectly controlled by Alexander Samwer) in the amount of EUR 8.5 million to finance real estate projects. The loan was payable in four tranches and was fully utilized in 2018. The loan bears interest varying from 4.6% to 11.0% p.a. in accordance with the individual real estate loan agreements and are repayable as defined in the respective individual loan agreements. In the first half of 2019 Rocket Internet recognized interest income of EUR 0.4 million for this loan.

11. Events after the Reporting Period

On July 2, 2019, Global Fashion Group (GFG) shares began trading on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. The shares were issued at EUR 4.50 per share. The initial quotation was EUR 4.47 per share. The placement comprised 40,000,000 new shares from a cash capital increase and 3,210,000 existing shares to cover over-allotments (greenshoe option). Total gross proceeds amounted to EUR 180.0 million (EUR 194.4 million with greenshoe option). Gross proceeds, less commissions and expenses, accrued to GFG alone. Rocket Internet SE purchased shares for approximately EUR 50 million. Following the IPO, the participation quota of the Group decreased below 20%.

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

12. Authorization of the Financial Statements for Issue

The Management Board authorized the issue of the interim condensed consolidated financial statements on September 18, 2019.

Berlin, September 18, 2019

The Management Board

Oliver Samwer Alexander Kudlich

ROCKET INTERNET

Interim Group Management Report
for the Period January 1 to June 30, 2019

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 equity interests in the long term 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, 2018. The changes in accounting policies made in 2019 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 2019 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 interim group management report covers the period January 1 to June 30, 2019. If not otherwise stated, comparative figures for the balance sheet are as of December 31, 2018 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, 2018.

The general statements made in the combined management report 2018 on the business activities, legal structure of the Group, 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. The changes in the scope of consolidated subsidiaries, associates and joint ventures in the first half of 2019 are presented in note 2 of the interim condensed consolidated financial statements.

The following illustration shows the selected companies of the Group as of June 30, 2019[1)].

Public companies	
Home & Living	home24
Fashion	GFG Global Fashion Group
General Merchandise	JUMIA

[1)] Global Fashion Group S.A. (GFG) has been listed since July 2, 2019.

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 report of the World Bank Group “Global Economic Prospects” published in June 2019, global economic activity continued to soften at the start of 2019, with trade and manufacturing showing signs of marked weakness. Heightened policy uncertainty, including a recent re-escalation of trade tensions between major economies, has been accompanied by a deceleration in global investment and a decline in confidence. Activity in major advanced economies, particularly in the euro area, as well as in some large emerging market and developing economies (EMDEs) has been weaker than previously expected. Recent high frequency indicators suggest this period of weakness may be receding; however, global activity remains subdued. Amid low global inflation and a deterioration of the growth outlook, the prospect that the U.S. Federal Reserve and other major central banks will tighten monetary policy in the near term has faded, leading to an easing in global financing conditions and a recovery of capital flows to EMDEs. However, weakening external demand has weighed on export growth across EMDE regions. Although demand for industrial commodities has generally softened, prices have partially recovered because of tightening supply conditions. EMDE growth momentum continues to be generally subdued, as slowing global trade and persistent policy uncertainty in key economies are only partially offset by recent improvements in external financing conditions.

2.2 Sector-Specific Conditions

Venture Capital Market in Germany

The statements made in the combined management report 2018 still apply at the time this interim report was issued for publication.

After the exceptional year 2018, in which 18 companies in Germany went public and raised EUR 11.6 billion, the trend in the first half of 2019 was downward. In the first half of 2019, there were four initial public offerings (IPOs) in Germany, two of which were direct listings, i.e. no capital was raised. The IPO of TRATON SE contributed to the total amount of EUR 1,441.2 million with a placement volume of EUR 1,387.2 million. At the beginning of July 2019, GFG went public on the Frankfurt Stock Exchange with a placement volume of EUR 194.4 million.

According to the “Start-up Barometer Deutschland” of the auditing firm EY from July 2019, German start-ups were able to collect a total of EUR 2.8 billion from investors in the first half of 2019, 13% more than in the previous year. In Germany, the number of financing rounds in the first half of 2019 rose compared with the previous year period by 19% to 332. Most of the investments went into the area FinTech/InsurTech in the first half of 2019. In total, start-ups in this area collected EUR 704 million, compared with just under EUR 396 million in the same period of the previous year. Investments in the mobility area also increased from EUR 130 million to EUR 659 million. Investments in the area Software & Analytics remained with EUR 385 million roughly at the previous year's level. The area Health was also able to record a substantial increase from EUR 58 million to EUR 303 million. The leading area in previous years, eCommerce, recorded a sharp decline in capital raised from EUR 1,046 million to only EUR 208 million. The largest five transactions year to date, totaling EUR 1,159 million, were all start-ups headquartered in Berlin. Of these, GetYourGuide collected EUR 428 million and N26 EUR 266 million. Berlin was once again able to defend its title as Germany's start-up capital. Berlin start-ups received a total of EUR 2.1 billion in 131 financing rounds in the first half of 2019.

Globally, with 507 IPOs raising USD 71.9 billion, the first half of 2019 showed the slowing of IPO activity compared to the first half of 2018 (660 IPOs raising USD 94.3 billion). The global IPO activity slowdown continued in the second quarter of 2019 following an unusually quiet first quarter 2019 as ongoing geopolitical tensions, trade issues among the US, China and the EU, Brexit and the outcome of European elections dampened IPO sentiment.

This recent development shows that a high financing volume was available for start-ups in Germany and around the world, which means there is still a high level of competition amongst start-ups.

General Sector Trends

The statements made in the combined management report 2018 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 2019 for our Group. The ability to design, incubate, support the operations and develop Internet companies remains the focus of Rocket Internet's strategy. The goal of building and operationally supporting a network of promising technology companies continued in the first half of 2019.

The profit for the period amounts to EUR 547.5 million and improved significantly compared to a gain of EUR 296.6 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 income net of tax for the first half of 2019 amounted to EUR 553.9 million (previous year EUR 299.0 million).

Cash and cash equivalents increased from EUR 1,720.0 million as of December 31, 2018 to EUR 2,535.9 million as of June 30, 2019 predominantly reflecting the proceeds from disposals of non-consolidated equity investments.

On April 12, 2019, Jumia Technologies AG had its first day of trading on the New York Stock Exchange (NYSE). The primary offering included 13,500,000 American Depositary Shares ("ADSs") representing 27,000,000 new ordinary shares. The ADSs were priced at USD 14.50 per ADS. Moreover, the underwriters have exercised their option to purchase additional new 4,050,000 ordinary shares, equivalent to 2,025,000 ADSs, on the same terms as the offering (the "Greenshoe"). As a result of the offering (including the Greenshoe), the concurrent private placement to Mastercard Europe SA and the issuance of anti-dilution shares to certain existing shareholders, Jumia has issued in aggregate 56,765,518 new ordinary shares and received net proceeds of USD 280 million. Following these transactions, Jumia has a total of 156,816,494 ordinary shares, corresponding to 78,408,247 ADSs, outstanding. Due to the capital increase at Jumia, the participation quota of the Rocket Internet Group decreased below 20% as of June 30, 2019.

On May 14, 2019, Rocket Internet SE placed its entire shareholding of approx. 43.7 million HelloFresh shares. The placement price per share was set at EUR 8.00. The placement followed an accelerated bookbuild offering to institutional investors only.

In the first half of 2019, the Group sold all of its shares in Westwing Group AG.

Rocket Internet's shareholding in home24 decreased from 32.6% to 18.5% during the first half year 2019. The share price of home24 decreased from EUR 11.16 at the end of the financial year 2018 by 73% to EUR 3.04 as of June 30, 2019.

During the first half year 2019, Rocket Internet's shareholding in Delivery Hero SE decreased from 5.8% to 0.7%.

Rocket Internet SE's selected network companies in the key focus industry sectors showed double-digit revenue growth in the first half of 2019 as compared to the first half of 2018, Global Fashion Group (13%), home24 (18%) and Jumia (34%). Furthermore, they showed an improvement of the adjusted EBITDA margin, in particular Global Fashion Group and Jumia.

EBITDA of the Group improved significantly from EUR 78.7 million in the first half of 2018 by EUR 181.3 million to EUR 260.1 million in the first half of 2019. 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.

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 2019, improved as forecast.

In line with the previous year report’s forecast for the financial year 2019, the international expansion of our network companies has continued. With the first-time consolidation of companies under the brands AgenCasa, Bluenest, Franksmile and in the area of PropTech, which were incubated by Rocket Internet, several new network companies with new business models were included in the scope of consolidation of the Group. Non-viable operations were discontinued. The number of fully consolidated companies increased by 14% to 75 as of June 30, 2019 in line the forecast in the combined management report 2018.

Revenue of the Rocket Internet Group increased to EUR 31.5 million in the first half of 2019 compared to EUR 23.7 million in the previous year period (+33%). The revenue of New Businesses for those companies that continued to be fully consolidated after December 31, 2018, increased in the first half 2019 contrary to the previous year report’s forecast of constant consolidated revenues for the financial year 2019. The Group’s revenue for all New Businesses increased from EUR 15.1 million in the first half of 2018 by 54% to EUR 23.1 million in the first half of 2019. As expected, the area of New Businesses excluding FinTech entities realized a negative EBITDA. The area of FinTech realized a positive EBITDA and thus contributed to the positive EBITDA of the Rocket Internet Group. Contrary to the previous year report’s forecast for the financial year 2019, which expected an increase by a low double-digit percentage of revenue from other services, this revenue remained roundly at the prior-year level.

The result from deconsolidation of subsidiaries amounts to EUR 0.3 million in the first half of 2019 (previous year negative EUR 0.1 million). We still expect a decreased result from deconsolidation of subsidiaries for the total year 2019 compared to 2018 as had been forecast in the combined management report 2018.

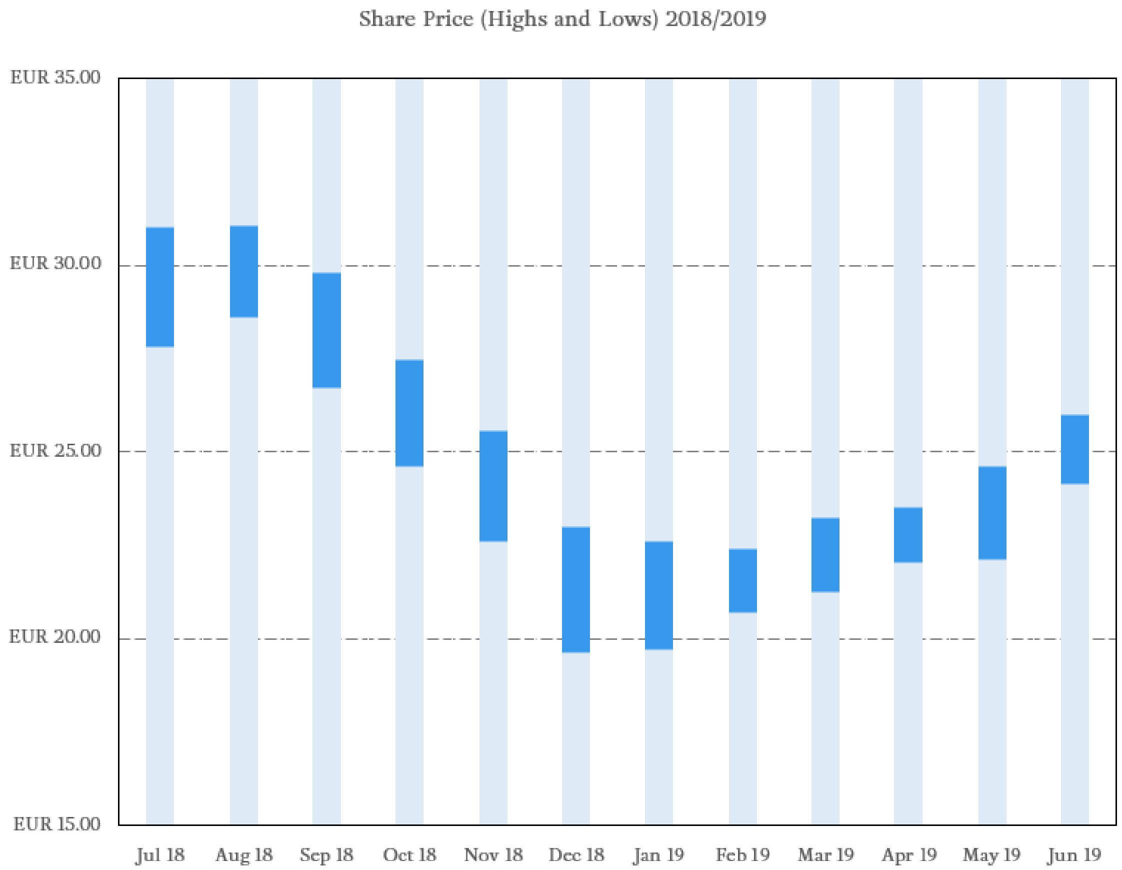
We expected a positive, but clearly below the level of 2018 share of profit/loss of associates and joint ventures, and estimated the degree of predictability to be low, given the market movements in our business environment. In the first half of 2019, gains from the disposal of associates and joint ventures of EUR 323.2 million (previous year EUR 104.1 million) mainly from the disposal of HelloFresh shares (EUR 261.7 million) were recognized. Consequently, the share of profit/loss of associates and joint ventures in the first half of 2019 was strongly higher than the level of the first half of 2018, contrary to the previous year report’s forecast for the financial year 2019. In aggregate, the share of profit/loss from associates and joint ventures improved from EUR 99.3 million by EUR 162.1 million to EUR 261.4 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 remained as expected negative and amounted to negative EUR 47.3 million (previous year negative EUR 33.4 million). Furthermore, the Group recognized high impairment losses and the net balance of impairment losses and reversals of impairment losses amounted to negative EUR 14.5 million as compared to a net balance of impairment losses and reversals of EUR 28.7 million in the prior-year's period.

Contrary to the forecast in the combined management report 2018 for the total year 2019, which anticipated the EBITDA to deteriorate, the EBITDA of the Group improved by EUR 181.3 million from EUR 78.7 million in the first half of 2018 to EUR 260.1 million in the first half of 2019.

2.4 Rocket Internet Share

In the first half 2019, the share price of Rocket Internet SE increased from EUR 20.18 as of December 31, 2018 to EUR 25.36 as of June 30, 2019. The market capitalization increased by 26% compared with December 31, 2018 and amounted to EUR 3.8 billion as of June 30, 2019.

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



In the first half of 2019, average daily trading volume via the electronic computer trading system Xetra was 199,000 shares (versus 414,000 shares in first half 2018) with an average value of EUR 4.6 million (versus EUR 10.1 million in the first half 2018) traded daily.

3. Position of the Group

3.1 Earnings Position

General remark on earnings position of the Group

As a result of the business model, Rocket Internet's earnings position can vary substantially from year to year.

Earnings position of the Group during the reporting period

In EUR million	Jan 1 - Jun 30, 2019	Jan 1 - Jun 30, 2018
Revenue	31.5	23.7
Other operating income	6.2	1.9
Result from deconsolidation of subsidiaries	0.3	-0.1
Cost of materials and cost of financial services	-6.9	-4.5
Employee benefit expenses	-17.0	-26.3
Other operating expenses	-15.4	-15.4
Share of profit/loss of associates and joint ventures	261.4	99.3
EBITDA	**260.1**	**78.7**
Depreciation, amortization and impairment of non-current assets	-8.3	-0.5
Financial result	300.9	217.8
Income taxes	-5.1	0.6
Profit for the period	**547.5**	**296.6**
Other comprehensive income for the period, net of tax	6.3	2.4
Total comprehensive income for the period, net of tax	**553.9**	**299.0**
Earnings per share (in EUR) – basic = diluted	3.65	1.84

Revenue was structured as follows:

In EUR million	Jan 1 - Jun 30, 2019		Jan 1 - Jun 30, 2018	
New Businesses	23.1	73%	15.1	64%
Other services	8.4	27%	8.6	36%
Total	**31.5**	**100%**	**23.7**	**100%**

Revenues of the New Businesses increased significantly by 54% from EUR 15.1 million in the first half 2018 to EUR 23.1 million in the first half 2019. 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 non-consolidated network companies and letting of office space.

Of the total revenues, 45% were generated in Germany (previous year 41%), 21% in the United Kingdom (previous year 25%), 10% in Luxembourg (previous year 15%), 8% in France (previous year 9%), 7% in Australia (previous year 3%), 3% in Finland (previous year 0%), 2% in Mexico (previous year 2%) and 4% in other countries (previous year 4%).

The position cost of materials and cost of financial services increased by 55% from EUR 4.5 million to EUR 6.9 million. The increase is mainly due to the increase of expenses in the FinTech business by EUR 2.5 million and for purchased services by EUR 1.7 million, which was partially offset by the effect of the transition to IFRS 16 in the amount of EUR 1.7 million (rental expenses in the comparative period).

Employee benefit expenses which amounted to EUR 17.0 million (previous year EUR 26.3 million) included the current remuneration as well as expenses arising from equity-settled and cash-settled share-based payments. The decrease by EUR 9.2 million (35%) results on the one hand from the reduced expenses for salaries, bonuses and social security due to decreased average number of own staff employed by consolidated companies and on the other hand from reduced share-based payments.

Other operating expenses in the amount of EUR 15.4 million (previous year EUR 15.4 million) mainly include legal and consultancy costs (EUR 3.9 million, previous year EUR 3.1 million), currency translation expenses (EUR 2.6 million, previous year EUR 0.7 million), advertising and marketing expenses (EUR 2.2 million, previous year EUR 2.8 million), rental costs as well as expenses for office and IT infrastructure (EUR 2.0 million, previous year EUR 3.0 million) and expenses for external services (EUR 1.0 million, previous year EUR 1.0 million).

The share of profit/loss from associates and joint ventures amounts to EUR 261.4 million (previous year EUR 99.3 million). The significant increase by EUR 162.1 million results from the following:

Reconciliation of the share of profit/loss from associates and joint ventures	**Impact on result in EUR million**
Decreased 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	-13.9
Increase of impairment losses (net balance of losses and reversals)	-43.1
Increase of gains from disposal (net balance of gains and losses)	219.1
Total	**162.1**

The share of profit/loss of associates and joint ventures in the first half of 2019 was strongly higher than the level of the first half of 2018 and is characterized by gains from the disposal of HelloFresh shares (EUR 261.7 million) and Westwing shares (EUR 12.4 million). Despite pro rata losses of EUR 13.5 million, overall, a profit of EUR 248.2 million is attributable to HelloFresh. The investment in home24 contributes a loss of EUR 33.9 million to the share of profit/loss from associates and joint ventures, of which EUR 16.1 million relate to impairment losses, EUR 12.1 million relate to losses from disposal and EUR 5.7 million relate to pro rata losses. Global Fashion Group contributes a loss of EUR 1.5 million to the share of profit/loss from associates and joint ventures, of which negative EUR 16.2 million relate to pro rata losses and EUR 14.7 million relate to reversals of impairment losses. Other effects mainly include the pro rata losses of Traveloka (EUR 15.6 million), Spotcap (EUR 2.2 million) and Westwing (EUR 1.7 million) as well as pro rata gains of RICP.

The positive share of profit/loss from associates and joint ventures in the first half of 2018 was 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 IPO of home24. Overall, a profit of EUR 91.6 million was attributable to HelloFresh, of which negative EUR 17.5 million related to pro rata losses, while EUR 109.1 million were realized in connection with the sale of HelloFresh shares. Global Fashion Group contributed a profit of EUR 13.6 million to the share of profit/loss from associates and joint ventures, of which EUR 26.3 million related to reversals of impairment losses while negative EUR 12.7 million related to pro rata losses. Furthermore, a profit of EUR 8.6 million was recognized in connection with home24, which included both pro rata losses as well as the deemed disposal gain. Opposing effects mainly included 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).

EBITDA of the Group improved from EUR 78.7 million in the first half of 2018 by EUR 181.3 million to EUR 260.1 million in the first half of 2019. 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 by EUR 173.5 million to EUR 251.8 million in the same period.

The financial result of EUR 300.9 million (previous year EUR 217.8 million) improved by EUR 83.1 million and primarily included net changes (gains and losses) in fair value of equity instruments accounted for at fair value through profit or loss of EUR 293.3 million (mainly Jumia and highly liquid listed shares which are easily convertible into cash) (previous year EUR 207.8 million (mainly Delivery Hero)), interest income of EUR 5.9 million (previous year EUR 4.6 million) as well as net foreign exchange gains of EUR 1.9 million (previous year EUR 12.8 million) that relate to loans as well as to cash and cash equivalents and mainly reflect the development of the USD exchange rate. In the previous year financial result also included interest expense from convertible bonds fully repaid in 2018 of EUR 5.9 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 6.3 million (previous year EUR 2.4 million) in the first half of 2019 includes 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 6.2 million (previous year EUR 0.4 million) and exchange differences on translation of foreign operations in the amount of EUR 0.1 million (previous year negative EUR 2.0 million).

3.2 Financial Position

In EUR million	Jan 1 - Jun 30, 2019	Jan 1 - Jun 30, 2018
Cash flow from operating activities	-37.0	-33.3
Cash flows from investing activities	855.9	952.9
Cash flows from financing activities	-4.6	-191.5
Net change in cash and cash equivalents	814.3	728.2
Net foreign exchange difference and change of loss allowance within cash and cash equivalents	1.7	12.3
Cash and cash equivalents at the beginning of the period	1,720.0	1,716.6
Cash and cash equivalents at the end of the period	2,535.9	**2,457.0**

On the one hand, the deterioration of the negative operating cash flow in the first half of 2019 compared with the first half of 2018 is due to a decrease of proceeds from dividends by EUR 37.1 million. On the other hand, cash inflows from interest received were increased and cash outflows for the acquisition of operating financial assets (FinTech loans) were reduced.

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 89.9 million (previous year EUR 58.5 million) were made for acquisitions of non-consolidated companies of which EUR 24.7 million relate to the RICP Fund, EUR 22.3 million relate to Linus Debt Invest DACH I GmbH & Co. KG, EUR 13.5 million relate to Away and EUR 29.4 million to various other network companies. On the other hand, the Group received in the first half 2019 EUR 854.8 million (previous year EUR 1,119.9 million) for the sale of non-consolidated equity investments, which mainly relates to the sale of HelloFresh, Delivery Hero, Westwing and home24 shares. Cash received in connection with short-term financial management of cash investments in the amount of EUR 569.8 million (previous year EUR 3.4 million) relates to proceeds from sale of the highly liquid, easily convertible into cash listed shares of EUR 563.7 million (previous year EUR 0.0 million) and to the repayments of short-term loans to network companies. The cash flows from investing activities also include cash paid in connection with short-term financial management of cash investments in the amount of EUR 476.7 million (previous year EUR 106.5 million) that mainly relates to cash outflows in connection with short-term bank deposits of EUR 357.0 million (previous year EUR 16.5 million) as well as to payments for highly liquid, easily convertible into cash listed shares of EUR 115.8 million (previous year EUR 89.0 million).

Cash flows from financing activities include 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 12.7 million (previous year EUR 51.9 million) and repayments of non-controlling interests classified as financial liabilities in the course of the redemption of capital at the level of consolidated subsidiaries totaling EUR 15.3 million (previous year EUR 0.0 million). In the first half of 2019, the repayment of lease liabilities is reported for the first time as part of financing activities with the transition to IFRS 16 and amounts to EUR 2.3 million. In the previous year, the cash flows from financing activities also included the cash outflows from the repurchase of treasury shares of EUR 233.7 million as well as cash outflows for the repurchase of convertible bonds in the amount of EUR 9.9 million.

Due to foreign exchange differences, cash and cash equivalents of the Group increased by EUR 1.8 million (previous year increase by EUR 12.3 million).

The Group continues to maintain a very good cash position. Cash and cash equivalents amount to EUR 2,535.9 million as of June 30, 2019 (previous year EUR 1,720.0 million). In addition to cash and cash equivalents, the Group has short-term bank deposits of EUR 542.3 million as of June 30, 2019 (previous year EUR 185.1 million) as well as highly liquid, easily convertible into cash listed shares of EUR 108.3 million (previous year EUR 462.5 million).

The Group has fulfilled its payment obligations at all times.

3.3 Asset Position

Assets In EUR million	Jun 30, 2019		Dec 31, 2018	
Non-current assets	1,442.1	30%	1,602.8	39%
Current assets	3,291.3	70%	2,509.4	61%
Total	**4,733.4**	**100%**	**4,112.1**	**100%**

Equity and Liabilities In EUR million	Jun 30, 2019		Dec 31, 2018	
Equity	4,557.5	96%	3,999.7	97%
Non-current liabilities	130.1	3%	88.1	2%
Current liabilities	45.8	1%	24.4	1%
Total	**4,733.4**	**100%**	**4,112.1**	**100%**

The Group's largest asset items are cash and cash equivalents (54% of the balance sheet total; previous year 42% of the balance sheet total), short-term bank deposits (11% of the balance sheet total; previous year 5% of the balance sheet total), shares in associates and joint ventures accounted for pursuant to the equity method (11% of the balance sheet total; previous year 20% of the balance sheet total), non-current equity instruments recognized at fair value through profit or loss (13% of the balance sheet total; previous year 15% of the balance sheet total) and current equity instruments recognized at fair value through profit or loss (2% of the balance sheet total; previous year 11% of the balance sheet total).

Non-current assets decreased from EUR 1,602.8 million by EUR 160.7 million to EUR 1,442.1 million. The decrease mainly results from the sale of HelloFresh, Delivery Hero, Westwing and home24 shares. Non-current financial assets increased from EUR 770.6 million by EUR 94.9 million to EUR 865.5 million due to the granting of non-current loans, the reclassification of Jumia from joint ventures and of home24 from associates to other non-current financial assets as well as investments in new and existing companies. Due to the first-time application of IFRS 16, an increase of the right-of-use assets by EUR 47.2 million is to be noted in the first half of 2019. Further information regarding the first-time application of IFRS 16 can be found in note 2 of the notes to the interim condensed consolidated financial statements.

The decrease of investments in associates from EUR 735.5 million by EUR 232.8 million to EUR 502.7 million mainly results from the disposal of HelloFresh shares and Westwing shares as well as the pro-rata losses, impairment, disposal and reclassification to equity instruments recognized at fair value through profit or loss of home24 shares. These effects were partially offset by investments in the RICP Fund and Linus Debt Invest DACH I GmbH & Co. KG.

The decline of investments in joint ventures from EUR 84.7 million by EUR 65.6 million to EUR 19.1 million mainly results from the reclassification of Jumia from joint ventures to equity instruments recognized at fair value through profit or loss.

Current assets increased from EUR 2,509.4 million by EUR 782.0 million to EUR 3,291.3 million. The change is mainly due to the increase in cash and cash equivalents (EUR 2,535.9 million; previous year 1,720.0 million). More details regarding the liquidity can be found in section 3.2. Other current financial assets decreased from EUR 774.4 million by EUR 34.6 million to EUR 739.8 million in the first half of 2019. On the one hand, the amount of the highly liquid, easily convertible into cash listed shares declined from EUR 462.5 million by EUR 354.1 million to EUR 108.3 million mainly due to sales of these shares. On the other hand, short-term bank deposits increased from EUR 185.1 million by EUR 357.3 million to EUR 542.3 million. Furthermore, the decrease results from the decline of short-term loan receivables by EUR 30.7 million.

Consolidated total equity increased from EUR 3,999.7 million by EUR 557.8 million to EUR 4,557.5 million. The increase is attributable to the comprehensive income for the first half of 2019 of EUR 553.9 million consisting of the profit for the period (EUR 547.5 million) and other comprehensive income, net of tax (EUR 6.3 million).

Non-current liabilities increased from EUR 88.1 million by EUR 42.0 million to EUR 130.1 million. The increase is mainly due to the recognition of lease liabilities in line with the first-time application of IFRS 16 as of January 1, 2019.

Current liabilities increased from EUR 24.4 million by EUR 21.4 million to EUR 45.8 million. The increase mainly results from the recognition of lease liabilities in line with the first-time application of IFRS 16 as of January 1, 2019, seasonal higher operating liabilities of Holiday & Co. S.A.S. (Campsy) as well as higher income tax liabilities.

3.4 Key Developments of Selected Companies

The revenue of our selected companies shows ongoing growth compared to the previous year period. Revenue of Global Fashion Group increased by 13% (16% on a constant currency basis), of home24 by 18% as well as of Jumia by 34% in the first half of 2019.

The adjusted EBITDA margin of GFG and Jumia continued to improve during the first half 2019 compared to the previous year period. Overall for the first half of 2019, the adjusted EBITDA margin of home24 was below the comparable 2018 level. The first quarter of 2019 was marked by a sharp decline, the second quarter of 2019 saw an improvement of the adjusted EBITDA margin of home24.

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 primarily due to the sale HelloFresh and Westwing shares. Furthermore, in the first half of 2019 net gains on equity instruments recognized at fair value through profit or loss were recognized. Investments were made in existing and new business models. The selected companies reported revenue increases.

Based on the solid balance sheet structure we are in a good position to implement our unchanged business strategy, e.g. to continue building companies on the Rocket Internet Platform, to develop our companies operationally to market leadership in their market segment and to support them in order to build a globally linked, leading operating group of many, promising Internet business models.

4. Forecast Report and Report of Opportunities and Risks

4.1 Forecast Report

In the “Global Economic Prospects” published in June 2019 the World Bank Group downgraded global growth in 2019 to 2.6%, 0.3 percentage points below previous projections, reflecting the broad-based weakness observed during the first half of 2019, including a further deceleration in investment amid rising trade tensions. In particular, global trade growth in 2019 has been revised down a full percentage point, to 2.6%, slightly below the pace observed during the 2015-2016 trade slowdown, and the weakest since the global financial crisis. As recent softness abates, global growth is projected to edge up to 2.7% in 2020 and to 2.8% in 2021. Slowing activity in advanced economies and China is expected to be accompanied by a modest cyclical recovery in major commodity exporters and in a number of EMDEs affected by recent pressure related to varying degrees of financial market stress or idiosyncratic headwinds such as sanctions.

According to the KfW Research of September 2019, the growth revival in the euro area at the beginning of the year will not remain sustainable. A GDP growth of 1.0% is expected for the full year 2019 and of 0.7% for 2020. Trade and European political conflicts (Brexit: EU withdrawal without an agreement, escalation in the trade war, dispute over the Italian state budget) are weighing down corporate sentiment. The domestic economy remains resilient. Domestic demand is on solid footing thanks to the employment on the record level, upward real wages and a noticeable fiscal impulse. Favorable financing conditions are an important supporting factor for corporate investments in an uncertain environment. In August 2019 the KfW Research significantly lowered its forecast for economic development in Germany. An economic downturn in 2019 compared to 2018 (GDP growth of only 0.4%) and a light recovery in 2020 (GDP growth of 0.6%) are expected in Germany. The anchors of stability for the German economy include sustained solid domestic demand, rising real wages and employment as well as favorable financing opportunities. In particular, consumption and residential buildings remain economic pillars. Weaker world trade is causing exports to fall and imports to grow relatively faster. Capacity utilization leaves fewer incentives for investment expansion. The corporate investment rate is still barely higher than in the all-time low of 2009. Growth can only be observed in the construction and services sectors, while industry is experiencing a downturn. If the industrial recession continues for much longer, however, the positive labor market dynamics could reverse and the downturn could also have a greater impact on trade and services. In turn, if the United

Kingdom succeeds in a negotiated withdrawal from the status of EU Member State or an imminent trade deal between the US and China is struck, the economy could do better than expected.

The general economic situation, the increase in macroeconomic risks in many economic areas due to emerging trade conflicts and the economic slowdown of individual sectors are contributing to an increase in the share price risk.

Rocket Internet will continue to use its expertise to identify Internet-based business models, incubate new companies and develop them operationally to market leadership, and has the necessary means to seize opportunities. Rocket Internet will continue to hold and to expand its engagement into interesting and promising online business models.

We expect that the investments in existing network companies and those newly founded by Rocket Internet in the area of New Businesses will increase. Accordingly, we expect the number of fully consolidated companies to increase.

Regarding New Businesses still consolidated after June 30, 2019, Rocket Internet Group expects a moderate increase in consolidated revenue for the financial year 2019. However, 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 2019 in the range between EUR 8 million to EUR 12 million. In the area FinTech, we expect positive operating results (EBITDA) in the range between EUR 10 million to EUR 14 million.

The result from deconsolidation of subsidiaries is expected to be low for the financial year 2019.

Share of profit/loss of associates and joint ventures is determined by their operations, i. e. 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. In the second half of 2019, we expect a decrease of the profit/loss of associates and joint ventures recognized in the first half of 2019 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 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 2019. For the total year 2019 EBITDA is expected to improve in comparison to 2018 contrary to the forecast in the combined management report 2018.

4.2 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 2019 financial year, there are no significant changes compared to the risks and opportunities described in the 2018 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.

5. Employees

As of June 30, 2019, the fully consolidated companies employed a total of 364 employees thereof 120 outside of Germany. On December 31, 2018, the Group employed a total of 312 employees, thereof 91 abroad.

Berlin, September 18, 2019

Oliver Samwer Alexander Kudlich

ROCKET INTERNET

Responsibility Statement

June 30, 2019

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 18, 2019

The Management Board

Oliver Samwer Alexander Kudlich

About Rocket Internet

Rocket Internet incubates, builds and operationally develops internet-based business models. It provides operational support to its companies and helps them scale internationally. Besides, it strategically invests in complementary internet and technology companies globally to build out its network. 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. 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 http://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 18, 2019 (editorial deadline) and was submitted for publication on September 19, 2098 (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 the network 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 (in some cases 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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