Annual Financial Statements 2015

(German GAAP)

Rocket Internet SE, Berlin

Non-binding convenience translation from German

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Rocket Internet SE, Berlin

Balance sheet as of December 31, 2015

Assets	EUR	EUR	December 31,2014 EUR
A. Fixed Assets			
I. Intangible assets			
1. Internally generated industrial and similar rights and assets	4.010.045		954.796
2. Purchased concessions, industrial property rights and similar rights and assets and licences in such rights and assets	302.016		151.093
		4.312.062	1.105.889
II. Property, plant and equipment			
1. Other equipment, operating and business equipment	760.783		798.251
2. Advanced payments and assets under constructions	478.002		0
		1.238.785	798.251
III. Financial assets			
1. Investments in subsidiaries	1.178.916.745		57.879.682
2. Participations	410.990.173		175.269.394
3. Securities held as fixed assets	7.617.364		19.816.844
4. Other Receivables	8.692.000		0
5. Advance payments for financial assets	0		3.764.476
		1.606.216.281	256.730.397
		1.611.767.128	258.634.537
B. Current Assets			
I. Inventories			
Work in progress		1.064.989	862.523
II. Receivables and other assets			
1. Trade receivables	0		1.183
2. Receivables from subsidiaries	72.600.325		41.266.540
3. Receivables from companies in which a participation is held	9.268.227		11.067.243
4. Other assets	2.047.813		1.646.371
		83.916.365	53.981.337
III. Cash on hand and bank balances		1.720.009.566	1.997.681.532
		1.804.990.920	2.052.525.392
C. Prepaid expenses		39.347.229	2.561.484
		3.456.105.277	2.313.721.413

Equity and Liabilities	EUR	EUR	December 31,2014 EUR
A. Equity			
I. Subscribed capital Contingent Capital EUR 82,546,825 (PY EUR 58,587,727)		165.140.790	153.130.566
II. Capital reserves		2.765.382.099	2.102.942.516
III. Unappropriated retained earnings		-73.445.518	0
		2.857.077.371	2.256.073.082
B. Provisions			
1. Tax provisions	0		12.004.002
2. Other provisions	36.879.000		27.133.624
		36.879.000	39.137.626
C. Liabilities			
1. Convertible Bonds thereof convertible EUR 550,000,000.00	557.241.667		0
2. Trade liabilities	2.787.885		16.269.247
3. Liabilities to subsidiaries	857.298		1.029.452
4. Liabilities to companies in which a participation is held	0		184.761
5. Other liabilities thereof for taxes EUR 565,159 (PY EUR 468,349) thereof for social security EUR 46,714 (PY EUR 18,013)	1.262.056		1.027.245
		562.148.906	18.510.705
		3.456.105.277	2.313.721.413

Rocket Internet SE, Berlin

Income Statement for financial year 2015

	EUR	EUR	2014 EUR
1. Revenue	34.176.001		28.787.222
2. Increase in work in progress	202.467		-319.657
3. Other own work capitalized	4.039.142		1.060.885
4. Other operating income	30.477.455		5.882.081
thereof income from currency translation EUR 3,287,493 (PY EUR 90,000)			
		68.895.065	35.410.530
5. Material expenses			
a) Cost of raw materials, consumables and supplies and of purchased merchandise	756.882		500.803
b) Cost of purchased services	7.796.910		6.185.147
6. Personnel expenses			
a) Wages and salaries	72.581.032		15.303.699
b) Social security and other pension costs	4.450.390		2.458.979
thereof retirement benefits EUR 28,725 (PY EUR 34,000)			
7. Depreciation / amortization			
of intangible assets and property, plant and equipment	1.585.818		694.042
8. Other operating expenses	45.499.158		20.936.069
thereof expenses from currency translation EUR 55,648 (PY EUR 97,000)			
		132.670.189	46.078.740
9. Income from participations	15.288.542		0
10. Income from other securities	0		72.608
11. Other interests and similar income	1.046.444		242.746
thereof from subsidiaries EUR 711,360 (PY EUR 55,100)			
12. Write downs on financial assets	13.997.619		937.916
13. Interest and similar expenses	9.652.731		2.212
		-7.315.365	-624.774
14. Result of ordinary activities		-71.090.489	-11.292.984
15. Extraordinary expenses	2.851.840		34.569.871
16. Extraordinary result		-2.851.840	-34.569.871
17. Income taxes		-496.811	0
18. Net loss for the year		-73.445.518	-45.862.855
19. Profit carried forward from previous year		0	66.569.170
20. Withdrawals from capital reserves		0	270.483.219
21. Dividend pay-out		0	291.189.535
22. Unappropriated retained earnings		-73.445.518	0

Notes to the Annual Financial Statements 2015

(German GAAP)

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Non-binding convenience translation from German

Contents

A. GENERAL INFORMATION ON THE FINANCIAL STATEMENTS

The annual financial statements as of December 31, 2015, of Rocket Internet SE (until March 18th, 2015, Rocket Internet AG) have been prepared in accordance with statutory accounting provisions of the German Commercial Code (HGB) (HGB, section 242 et seq. and section 264 et seq.) and the supplementary regulations of the German Stock Corporation Act (AktG).

As of the reporting date, Rocket Internet SE is classified as a large corporation according to the size criteria set forth in section 267 (3) HGB.

The structure of the balance sheet follows the provisions of section 266 HGB. The income statement applies the classification by nature of expense method according to section 275 (2) HGB.

B. CONVERSION OF LEGAL FORM OF ROCKET INTERNET STOCK CORPORATION (AG) INTO A SOCIETAS EUROPAEA (SE)

The general meeting of Rocket Internet AG as of September 30, 2014, passed the resolution to convert the legal form of Rocket Internet AG to an European stock corporation (Societas Europaea, SE) named “Rocket Internet SE”. With the registration in the commercial register Charlottenburg of the district court of Berlin, the change of the legal form to Rocket Internet SE became effective on March 18, 2015. On that day, upon completion of the conversion, all the individuals and entities that were shareholders of Rocket Internet AG became shareholders of Rocket Internet SE. The calculated proportion of each AG-share of the share capital as well as the amount of the share capital remained unaffected. The conversion of Rocket Internet AG to a Societas Europaea (SE) did not lead to a liquidation of the Company or to the formation of a new legal entity. The legal and economic identity of the corporation was not affected.

Observing the reporting date principle, all explanations and disclosures in the notes refer to the legal form of a Societas Europaea (SE), in which the company operated as of the end of the financial year.

C. SUMMARY OF ACCOUNTING POLICIES AND VALUATION METHODS

The accounting policies and valuation methods applied comply with German Commercial Code (HGB) provisions (sections 238 to 263 HGB). In addition, the Company considered the supplementary requirements concerning the accounting policies and valuation methods to be applied by large corporations.

The accounting policies and valuation methods have not changed in comparison to the previous financial year, except for the changes stated in the equity description below.

Intangible assets

Internally generated intangible assets are accounted for in accordance with the relevant capitalization option of section 248 (2) HGB. Internally generated intangible assets are capitalized at production costs and, if they have a limited life, are amortized over their useful lives. Scheduled amortization is carried out on a straight-line basis over the useful life of five years.

Intangible assets acquired from third-parties are recognized at acquisition costs including incidental costs less scheduled straight-line amortization. Amortization is carried out over their estimated useful lives of three to ten years.

Property, plant and equipment

Property, plant and equipment are accounted for at acquisition costs including incidental costs or production costs net of scheduled straight-line depreciation.

Scheduled depreciation is based on the respective assets' estimated useful live. Property, plant and equipment have estimated useful lives between three to thirteen years.

Payments on account and assets under construction are capitalized at her acquisition cost or production cost.

Tangible fixed assets with acquisition costs of more than EUR 150, but not exceeding EUR 1,000, were included in a collective item for the years from 2008 to 2010. The assets were written down over five years on a pro rata basis.

Since 2011, tangible fixed assets with a value of up to EUR 410 are fully written off in the year of acquisition.

Financial assets

Shares in subsidiaries and participations, as well as non-current securities reported under financial assets, are accounted for the lower of acquisition costs or fair value. A reversal of impairment losses is recognized when there is an indication that the reasons for write-downs recognized in previous years are no longer present.

Other long-term receivables

Other long-term receivables are generally recognized at nominal value. Impairments are recorded, if write-downs are required.

Work in progress

Work in progress is measured at the lower of production costs or the net realizable value. The production costs include the minimum components as prescribed under section 255 (2) HGB and mainly relate to personnel expenses and expenses for external services.

Receivables and other assets

Receivables and other assets are generally recognized at nominal value. Individual valuation adjustments are recorded if valuation adjustments are required.

Cash and cash equivalents

Cash and cash equivalents are recognized at nominal value.

Prepaid expenses

Prepaid expenses include payments made that represent expenses for a specified period after the balance sheet date.

The Company has made use from the option granted under section 250 (3) HGB and recognized items resulting from the issuance of convertible bonds. The residual value between issue price and repayment amount, is recognized under prepaid expenses and amortised over the term of the liabilities.

Equity

Subscribed capital is recognized at nominal value and fully paid in.

Rocket Internet SE exercised the discretionary option for the recognition of the equity-settled share-based compensation plans in accordance with the section 192 (2) No. 3 AktG. This change in the accounting policy is carried out in order to the concern-principles of recognitions and measurements as well as the true and fair view and in order to provide comparability to the principles of IFRS 2. It provide more meaningful information to the users of the statutory annual financial statements and an improved presentation of the financial position of the Rocket Internet SE.

Rocket Internet SE grants eligible and selected executives equity-settled share-based compensation arrangements, which are subject to certain service and vesting conditions and entitle participants to acquire the shares of the company after the fulfilment of such conditions. There is no clear guidance in HGB how to account for these arrangements during the vesting period. Therefore, Rocket Internet SE follows the principles of IFRS 2 *Share-Based Payment* starting from 2015. Consequently, the personnel and other operating expenses related to the share-based compensation plans are recognized in the capital reserve in the current financial year. The resulting implications on the financial position and performance are explained in the notes to the balance sheet (see section D) and to the profit- or loss statement (see section E). In order to provide comparability with the previous financial statements the relevant financial information is additionally disclosed as if the accounting treatment as described above had been implemented in the prior reporting period.

Provisions

Other provisions consider all uncertain obligations. The provisions are recognized at the settlement value in accordance with sound business judgement (i.e. including future increases of prices and costs). Provisions with residual terms of more than one year are discounted applying the interest rate published by German Federal Reserve Bank (Deutsche Bundesbank).

Liabilities

Liabilities are accounted with their respective settlement value. In cases, if there a residual value between the issue price and the repayment amount, is this to recognize under prepaid expenses and amortised over the term of the liabilities.

Deferred taxes

In order determine deferred taxes arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts, or due to tax loss carry forwards, the differences are assessed by using the company-specific tax rates at the time they reverse. The amounts of any resulting tax charge or benefit are not discounted. Deferred tax assets and liabilities are offset. The option pursuant to section 274 (1) sentence 2 HGB to recognize net deferred tax assets in excess of deferred tax liabilities was not applied.

Currency translation

Generally, assets and liabilities in a foreign currency are translated with the average spot exchange rate at the balance sheet date. For items with a remaining life of longer than one year, the realization principle was followed according to section 252 (1) No. 4 sentence 2 HGB and the historical cost principle was followed according to section 253 (1) sentence 1 HGB.

D. NOTES TO THE BALANCE SHEET

I. Fixed Assets

The development of the individual items of fixed assets, including amortization, depreciation and write-downs for the financial year, is presented in the statement of changes in fixed assets in Appendix 3 of the notes.

1. Internally generated intangible assets

In the financial year, development costs of internally generated intangible assets of EUR 4,039 thousand (previous year EUR 1,061 thousand) were capitalized. The costs mainly relate to personnel expenses and expenses for external services of the development.

2. List of Shareholdings

Rocket Internet SE directly holds at least 20% of the shares in the following companies:

Company, location	Country	Shares (%)	Reporting Date	Equity (EUR thousand)	Annual result (EUR thousand)
Germany					
AEH New Africa eCommerce II GmbH, Berlin	DE	34.6	Dec 31, 2015[1]	23,368	-5
Affinitas GmbH, Berlin	DE	21.9	Dec 31, 2014	-10,903	978
Affinitas Phantom Share GmbH, Berlin	DE	34.4	Dec 31, 2013	4	2
Africa Internet Holding GmbH, Berlin	DE	33.3	Dec 31, 2015[1]	229,406	-1,585
Bambino 106. V V UG (haftungs-beschränkt), Berlin	DE	100.0	Dec 31, 2014	3,647	-22
Bambino 107. V V UG (haftungs-beschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	-54	-44
Bambino 110. V V UG (haftungs-beschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	-13	-5
Bambino 52. V V UG (haftungs-beschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	-15	-2
Bambino 53. V V UG (haftungs-beschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	972	352
Bambino 54. V V UG (haftungs-beschränkt), Berlin	DE	100.0	Dec 31, 2014	-1	1
Bambino 55. V V UG (haftungs-beschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	-12	-2
Beauty Trend Holding GmbH, Berlin	DE	59.8	Dec 31, 2014	9,739	-322
Bonnyprints GmbH, Berlin	DE	77.1	Dec 31, 2015[1]	-1,132	-592
Brillant 1259. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	24	-2
Brillant 1423. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	22	-1

Company, location	Country	Shares (%)	Reporting Date	Equity (EUR thousand)	Annual result (EUR thousand)
CD-Rocket Holding UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2014	12	-1
CityDeal Management II UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2013	0	-2
CityDeal Management UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	-3	2
CupoNation Group GmbH, München	DE	36.6	Dec 31, 2014	-8,631	4,848
EFF Nr. 2 Portfolio Management UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2014	-2	-3
EFF Nr. 2 Portfolio Verwaltungs GmbH, München	DE	100.0	Dec 31, 2014	22	-3
EFF Nr. 3 Portfolio Management UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2014	-2	-3
EFF Nr. 3 Portfolio Verwaltungs GmbH, München	DE	100.0	Dec 31, 2014	22	-3
European Founders Fund GmbH & Co. Beteiligungs KG Nr. 2, Berlin	DE	100.0	Dec 31, 2015[1]	4,068	459
European Founders Fund GmbH & Co. Beteiligungs KG Nr. 3, Berlin	DE	100.0	Dec 31, 2015[1]	2,589	765
European Founders Fund Investment GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	482	354
European Founders Fund Nr. 2 Geschäftsführungs GmbH, Berlin	DE	100.0	Dec 31, 2014	23	-1
European Founders Fund Nr. 2 Verwaltungs GmbH, Berlin	DE	100.0	Dec 31, 2014	22	-1
European Founders Fund Nr. 3 Management GmbH, Berlin	DE	100.0	Dec 31, 2014	23	-1
European Founders Fund Nr. 3 Verwaltungs GmbH, Berlin	DE	100.0	Dec 31, 2014	22	-1
FabFurnish GmbH, Berlin	DE	29.2	Dec 31, 2014	30,876	7
GFC Nr. 1 Portfolio Management UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2014	-3	-3
GFC Nr. 1 Portfolio Verwaltungs GmbH, München	DE	100.0	Dec 31, 2014	22	-3
Global Founders Capital GmbH & Co. Beteiligungs KG Nr. 1, Berlin	DE	100.0	Dec 31, 2015[1]	50,309	12,997
Global Founders Capital Management GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	111	-3
Global Founders Capital Verwaltungs GmbH, Berlin	DE	100.0	Dec 31, 2014	23	-1
HelloFresh AG, Berlin	DE	56.7	Dec 31, 2014	32,291	-3,678
Home24 AG, Berlin	DE	45.52	Dec 31, 2014	14,127	-62
International Rocket GmbH & Co. KG, Berlin	DE	100.0	Dec 31, 2015[1]	-3,784	-420
Jade 1085. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	72	-6
Jade 1158. GmbH, Berlin	DE	68.2	Dec 31, 2015[1]	1,824	-13
Jade 1217. GmbH, Berlin	DE	88.9	Dec 31, 2015[1]	2,468	22
Jade 1223. GmbH, Berlin	DE	73.8	Dec 31, 2015[1]	-9	-1
Jade 1231. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	-513	-1
Jade 1232. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	-130	-1

Company, location	Country	Shares (%)	Reporting Date	Equity (EUR thousand)	Annual result (EUR thousand)
Jade 1234. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	11	-4
Jade 1236. GmbH, Berlin	DE	100.0	Dec 31, 2014	19	-4
Jade 1238. GmbH, Berlin	DE	73.4	Dec 31, 2015[1]	27	0
Jade 1240. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	54	-1
Jade 1241. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	-0	-1
Jade 1246. GmbH, Berlin	DE	87.9	Dec 31, 2015[1]	-7	-18
Jade 1247. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	15	-4
Jade 1265. GmbH, Berlin	DE	89.2	Dec 31, 2015[1]	-101	-22
Jade 1279. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	19	-1
Jade 1317. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	2,774	-5
Jade 1318. GmbH, Berlin	DE	62.9	Dec 31, 2015[1]	-206	-2,679
Jade 1319. GmbH, Berlin	DE	99.4	Dec 31, 2015[1]	15	-1
Jade 1356. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	-211	-231
Jade 1368. GmbH, Berlin	DE	99.6	Dec 31, 2015[1]	41	-5
Jade 1371. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	15	-9
Jade 1372. GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	-18	-37
Jade 940. GmbH, Berlin	DE	100.0	Dec 31, 2012	-10	-26
Juwel 155. V V UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	-13	-1
Juwel 156. V V UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	-470	-3
Kin Shopping GmbH, Berlin	DE	82.0	Dec 31, 2015[1]	-706	-737
MKC Brillant Services GmbH, Berlin	DE	65.0	Dec 31, 2015[1]	79,345	943
Netzoptiker GmbH, Limburg a.d.L.	DE	42.8	Dec 31, 2013	-838	-1,044
New BGN Other Assets II GmbH, Berlin	DE	34.6	Dec 31, 2015[1]	10,055	33
New Bigfoot Other Assets GmbH, Berlin	DE	29.2	Dec 31, 2015[1]	14	-9
New Middle East Other Assets GmbH, Berlin	DE	30.9	Dec 31, 2015[1]	15	-8
New TIN Linio II GmbH, Berlin	DE	46.0	Dec 31, 2015[1]	93,788	-30
Plinga GmbH, Berlin	DE	39.3	Dec 31, 2014	300	287
PTH Brillant Services GmbH, Berlin	DE	76.0	Dec 31, 2012	5,010	-15
R2 International Internet GmbH, Berlin	DE	59.2	Dec 31, 2015[1]	1,852	-10
RCKT Rocket Communications GmbH & Co. KG, Berlin	DE	100.0	Dec 31, 2015[1]	205	7
Rocket Communications GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	25	-2
Rocket Internet Marketplace Solutions GmbH, Berlin	DE	100.0	n/a	n/a	n/a
Rocket Internet Munich GmbH, München	DE	100.0	Dec 31, 2015[1]	103	54
Rocket Labs GmbH & Co. KG, Berlin	DE	100.0	Dec 31, 2015[1]	723	331
Rocket Middle East GmbH, Berlin	DE	100.0	Dec 31, 2015[1]	12	-3

Company, location	Country	Shares (%)	Reporting Date	Equity (EUR thousand)	Annual result (EUR thousand)
sparks42 GmbH, Berlin	DE	79.0	Dec 31, 2015[1]	1,172	372
Veliberg GmbH, Köln	DE	22.0	n/a	n/a	n/a
VRB GmbH & Co. B-101 (Einhunderteins) KG, Berlin	DE	100.0	Dec 31, 2015[1]	-12	-2
Webpotentials GmbH, Berlin	DE	45.2	Dec 31, 2013	175	19
Wimdu GmbH, Berlin	DE	49.4	Dec 31, 2014	9,565	-11,796
Foreign Countries					
Asia Internet Holding S.à r.l., Luxemburg	LU	50.0	Dec 31, 2015[1]	124,633	-1,010
Convenience Food Group S.à r.l. (previously: Bonativo Global S.à r.l.), Luxemburg	LU	62.6	Dec 31, 2015[1]	16,082	68
Digital Services Holding I S.à r.l., Luxemburg	LU	81.4	Dec 31, 2015[1]	321	-1,223
Digital Services Holding IV S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	-6	-4
Digital Services Holding XXII S.à r.l., Luxemburg	LU	78.3	Dec 31, 2015[1]	5,110	123
Digital Services L S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	8	-7
Digital Services LI S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	-121	-136
Digital Services LII S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	11	-4
Digital Services XL S.à r.l., Luxemburg	LU	85.7	Dec 31, 2015[1]	2,532	19
Digital Services XLIII S.à r.l., Luxemburg	LU	83.3	Dec 31, 2015[1]	3,001	-14
Digital Services XLIX S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	7	-8
Digital Services XLV S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	1	-14
Digital Services XLVII S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	8	-7
Digital Services XVI S.à r.l., Luxemburg	LU	80.0	Dec 31, 2015[1]	-255	-4,813
Digital Services XVII S.à r.l., Luxemburg	LU	90.9	Dec 31, 2015[1]	-1,950	-3,449
Digital Services XVIII S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	-14	-18
Digital Services XXIV S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	8,328	212
Digital Services XXVII S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	12	-4
Digital Services XXVIII S.à r.l., Luxemburg	LU	70.0	Dec 31, 2015[1]	9.731	25
Digital Services XXXIII S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	-7	-22
Emerging Markets Capital S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	0	0
Emerging Markets Internet Fund SCS, Luxemburg	LU	66.7	Dec 31, 2015[1]	931	-322

Company, location	Country	Shares (%)	Reporting Date	Equity (EUR thousand)	Annual result (EUR thousand)
GFC Global Founders Capital S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	25,598	-443
Global Fashion Group S.A., Luxemburg	LU	23.2	Dec 31, 2015[1]	2,926,386	-12,783
Global Fin Tech Holding S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	9,291	-27
Global Online Takeaway Group S.A., Luxemburg	LU	100.0	Dec 31, 2015[1]	1,255,636	-1,460
GP Management Limited, Birkirkara (MT)	MT	99.9	Dec 31, 2014[1]	-10	-2
Helpling Group Holding S.à r.l., Luxemburg	LU	25.9	Dec 31, 2015[1]	76,735	-971
Lazada Group S.A., Luxemburg	LU	22.8	Dec 31, 2015[1]	993,361	-946
Middle East Internet Holding S.à r.l., Luxemburg	LU	50.0	Dec 31, 2015[1]	40,160	352
Moneda Top-Holding S.à r.l., Luxemburg	LU	100.0	Dec 31, 2015[1]	-17	-24
RI Capital Advisors Limited, London	UK	100.0	n/a	n/a	n/a
Rocket Internet Capital Partners Lux S.à r.l., Luxemburg	LU	100,0	Dec 31, 2015[1]	413	n/a
Somuchmore Global S.à r.l., Luxemburg	LU	73.3	Dec 31, 2015[1]	6,568	20
Vaniday Global S.à r.l., Luxemburg	LU	78.4	Dec 31, 2015[1]	5,805	-94

1) preliminary results

II. Current assets

1. Inventories

Inventories amounting to EUR 1,065 thousand (previous year EUR 863 thousand) comprise primarily work in progress related to the development of websites and internet shops for the future business models. Those costs mainly consist of personnel expenses as well as expenses for external services.

2. Receivables and other assets

Receivables and other assets at the balance sheet date are as follows:

	Dec 31, 2015 (EUR thousand)	Dec 31, 2014 (EUR thousand)
Trade receivables	0	1
- thereof due in more than one year	0	0
Receivables from affiliated companies	72,600	41,267
- thereof due in more than one year	0	0
Receivables from associated companies	9,268	11,067
- thereof due in more than one year	0	0
Other receivables	2,048	1,646
- thereof due in more than one year	0	0

Receivables from affiliated companies in the amount of EUR 72,600 thousand (previous year EUR 41,267 thousand) contain loan receivables of EUR 69,914 thousand (previous year EUR 38,769 thousand) and trade receivables of EUR 2,686 thousand (previous year EUR 2,498 thousand). The loan receivables from affiliated companies are granted for investments in new business models. Individual write-downs were carried out in the amount of EUR 914 thousand (previous year EUR 750 thousand).

Receivables from associated companies amount to EUR 9,268 thousand (previous year EUR 11,067 thousand) and consist primarily of trade receivables of EUR 5,345 thousand (previous year EUR 6,303 thousand) and of loan receivables of EUR 3,923 thousand (previous year EUR 4,764 thousand).

Other receivables in the amount of EUR 2,048 thousand (previous year EUR 1,646 thousand) mainly contain tax receivables (EUR 1,097 thousand; previous year EUR 1,516 thousand).

III. Cash on hand and bank balances

Cash and cash equivalents in the amount of EUR 1,720,010 thousand (previous year EUR 1,997,682 thousand) relate to cash in hand and bank balances.

Cash balances with banks amounting to EUR 685 thousand (previous year EUR 444 thousand) are restricted deposits used as security for rental guarantees.

IV. Prepaid expenses

In the financial year, prepaid expenses, that represent expenses for a specific period after the balance sheet date, are recognized in the amount of EUR 1,316 thousand (previous year EUR 2,561 thousand). They mainly consist of prepaid premiums for long-term insurance contracts.

Rocket Internet SE issued convertible bonds in the financial year. The issue price is below the repayment amount due to the discounting of future cash flows with a market conforming interest rate. The residual value (EUR 40,220 thousand), which represents the value of the conversion right, is amortized during its maturity period on a straight-line basis. At the end of the financial year, the remaining value of the convertible bond is recognized with an amount of EUR 38,031 thousand. For further details, please refer to Section V. Equity, No. 2 Capital reserve.

V. Equity

1. Subscribed capital

The subscribed capital of the Company registered in the commercial register with an amount of EUR 165,140,790 (previous year EUR 153,130,566) was fully paid in. The registered share capital is divided into 165,140,790 no-par value bearer shares (shares without a nominal value).

By resolution of the Management Board dated February 12, 2015, and with the consent of the Supervisory Board as well as by the resolution of the general meeting dated August 22, 2014, the registered capital of the Company was increased by EUR 12,010,224 on February 13, 2015, from EUR 153,130,566 to EUR 165,140,790. The new no-par value bearer shares (12,010,224) were sold in a private placement exclusively to institutional investors.

Authority of the Management Board to issue new shares (Authorized Capital)

By resolution of the general meeting dated August 22, 2014, the Management Board is authorized to increase the registered capital of the Company until August 21, 2019, with the consent of the Supervisory Board once or repeatedly, by up to a total of EUR 60,051,127, via the issuance of up to 60,051,127 new no-par value bearer shares with a nominal value of EUR 1 against contributions in cash or in kind (Authorized Capital 2014). As of December 31, 2015, the remaining authorized capital totals EUR 15,012,592.

By resolution of the general meeting dated June 23, 2015, the Management Board is authorized to increase the registered capital of the Company until June 22, 2020, with the consent of the Supervisory Board once or repeatedly, by up to a total of EUR 67,557,803 by the issuance of up to 67,557,803 new no-par value bearer shares with the value of EUR 1 against contributions in cash or in kind (Authorized Capital 2015).

Contingent Capital

By resolution of the general meeting dated September 8, 2014, the share capital of the Company was conditionally increased by up to EUR 4,541,712, by issuance of up to 4,541,712 new registered no-par value shares (Conditional Capital 2014/I). The conditional capital increase will only be implemented to the extent that such subscription rights will be issued to the member of the Management Board of the Company, Mr. Oliver Samwer, in accordance with the Stock Option Program 2014/I.

By resolution of the general meeting dated September 8, 2014, the share capital of the Company was conditionally increased by up to EUR 6,005,113 by issuance of up to 6,005,113 new registered no-par value shares (Conditional Capital 2014/II). The conditional capital increase will only be implemented to the extent that such subscription rights will be issued in accordance with the Stock Option Program 2014/II to members of the Management Board (except for Mr. Oliver Samwer) and employees of the Company as well as members of the management board and employees of companies affiliated with the Company pursuant to section 15 et seq. AktG.

By resolution of the general meeting dated June 23, 2015, the existing authorization granted by the resolution of the general meeting dated September 8, 2014, was repealed whereby the share capital of the Company was conditionally increased by up to EUR 48,040,902 by issuance of up to 48,040,902 no-par value registered shares (Conditional Capital 2014 / III).

By resolution of the general meeting dated June 23, 15, the share capital of the Company was conditionally increased by up to EUR 72,000,000 by issuance of up to 72,000,000 new registered no-par value shares (Conditional Capital 2015). The Management Board is authorized, until to June, 22, 2020, with the consent of the Supervisory Board, to issue bearer and/or nominal convertible bonds and/or optional bonds and/or participating rights and/or participating bonds with a nominal amount up to EUR 2,000,000.00, with or without a maturity periods. They are authorized to grant the creditor and/or bearer of bonds conversion or option rights regrading new no-par bearer shares of the company with a proportionate share in the equity capital of up to EUR 72,000,000, as provided for in the terms of the options rights, bonds or participating rights.

2. Capital reserves

During the financial year the capital reserves increased by EUR 662,440 thousand, from EUR 2,102,942 thousand to EUR 2,765,382 thousand.

In connection with the capital increase (Authorized Capital 2014) on February 13, 2015, Rocket Internet SE received proceeds in the amount of EUR 576,491 thousand from this issue of new bear shares at a price of EUR 49.00 per share and allocated them to the capital reserve.

On July 22, 2015, Rocket Internet SE issued convertible bonds with a nominal amount of EUR 550,000 thousand and maturity date of July 22, 2022. The offering was conducted solely on a private placement basis, while excluding the subscription rights of Rocket Internet SE's shareholders, against the contributions in cash. The convertible bond is divided into 5,500 bearer partial debentures with equal rights in a nominal amount of EUR 100,000 each. It is convertible during its maturity of seven years into new shares of Rocket Internet SE from its conditional capital or already existing shares. Holders have the right, on any business day during the conversion period, to convert their bonds in whole, but not in part, into shares based on the conversion ratio. The conversion premium was set at 35 % above the prevailing common stock price at the time the convertible bond was issued. The bonds bear interest as from and including July 22, 2015, of 3.00 % per annum of the nominal amount, payable semi-annually in arrears. Rocket Internet as the issuer may give a notice to redeem the bonds prior to the maturity date starting from August 6, 2019, at the principal amount plus interest accrued thereon, if the XETRA-Quotation on at least 20 out of 30 consecutive trading days, ending not earlier than seven trading days prior to the publication of the redemption notice, exceeds

140 % of the then applicable conversion price, or if at any time the aggregate principal amount of the bonds outstanding and held by persons other than Rocket Internet and its subsidiaries is equal to or less than 15 % of the aggregate principal amount of the bonds originally issued.

If Rocket Internet SE as the issuer has published a notice regarding a delisting event, any holder may, at its option demand redemption of any or all of his bonds. Rocket Internet SE as the issuer grants to each holder the right to convert each bond, in whole but not in part, at the conversion ratio as of the conversion date, into shares on any business day during the conversion period.

The convertible bonds were divided into an equity component and a debt component on the issue date. The residual amount is the bond conversion right and was recognized in capital reserves with an amount of EUR 37,659 thousand.

In the financial year, expenses in the amount of EUR 48,290 thousand arising from the equity-settled share-based compensation plans are recognized in the capital reserve. If Rocket Internet SE had implemented the accounting policy in 2014, the share-based compensation expenses in the amount of EUR 21,234 thousand would have been recorded in the capital reserve.

VI. Provisions

1. Tax provisions

The tax provisions for previous financial years have been fully eliminated on the basis of the final tax assessment notices submitted in the current financial year. There are no further tax provisions to be recognized for the current financial year, as the final tax assessments have already been issued.

2. Other provisions

Other provisions in the amount of EUR 32,166 thousand (previous year EUR 24,000 thousand) are short-term and contain mainly provisions for call-options and compensation obligations. In addition, the provisions were recorded to account for outstanding supplier invoices (EUR 3,014 thousand; previous year EUR 1,613 thousand).

VII. Liabilities

The composition of the liabilities and their remaining contractual maturities as of December 31, 2015, are shown in the following schedule:

	Dec 31, 2015 (EUR thousand)	Dec 31, 2014 (EUR thousand)
Convertible Bonds	557,242	0
- thereof due in more than five year	550,000	0
- thereof due in more than one year	0	0
Trade liabilities	2,788	16,269
- thereof due in more than one year	0	0
Liabilities to affiliated companies	857	1,029
- thereof due in more than one year	0	0
Liabilities to associated companies	0	185
- thereof due in more than one year	0	0
Other liabilities	1,262	1,027
- thereof due in more than one year	125	284

The liabilities arising from convertible bonds relate to the issued by Rocket Internet SE on July 22, 2015, convertible bond with a nominal amount of EUR 500,000 thousand as well as interest liabilities EUR 7,242 thousand. For further details, refer to the Section V. Equity, No. 2 Capital reserve.

The decrease in trade liabilities is primarily due to expenses incurred in 2014 in connection with the initial public offering and change of legal form of Rocket Internet SE.

VIII. Contingent liabilities and other financial obligations

1. Contingent liabilities

As of December 31, 2015, there are no unaccounted contingent liabilities according to section 251 HGB.

2. Other financial obligations

As of December 31, 2015, other financial obligations of EUR 191,888 thousand are in particular attributable to the following items:

	Up to 1 year (EUR thousand)	1 - 5 years (EUR thousand)	> 5 years (EUR thousand)	Total (EUR thousand)
Rents and similar obligations	2,123	28,171	57,429	87,723
Outstanding investment and capital contribution obligations	61,000	0	39,165	100,165
Loans	4,000	0	0	4,000
Total	**67,123**	**28,171**	**96,594**	**191,888**

The short-term outstanding investment and capital contribution obligations relate to associated companies. The loan commitments relate to affiliated companies.

IX. Related party transactions

Related parties are shareholders with significant influence on Rocket Internet SE, associated companies, non-consolidated subsidiaries, and individuals that exercise significant influence on the financial and business policy of Rocket Internet SE. Persons that exercise significant influence on Rocket Internet SE financial and business policy comprise all individuals and key positions and their close family members. Within the Rocket Group, this relates to Rocket Internet SE managing directors or, following the change in legal form into an AG, the members of the management board and the supervisory board. No transactions at unusual market terms were conducted with related parties in the financial year 2015.

E. NOTES TO THE INCOME STATEMENT

I. Revenue

The following chart shows the composition of revenue by type of services and by region:

	Jan 1- Dec 31, 2015 (EUR thousand)	Jan 1 - Dec 31, 2014 (EUR thousand)
Revenue per type of services		
- Consulting services	24,083	18,917
- Software licenses	4,076	3,596
- Infrastructure services	3,037	3,987
- Benefits in kind	2,980	2,287
Total	**34,176**	**28,787**
Revenue per region		
- Germany	24,597	22,474
- Other EU countries	5,747	3,130
- Asia	3,254	2,716
- Rest of the world	389	0
- Australia / Oceania	103	293
- Africa	55	94
- South America	31	80
Total	**34,176**	22,474

II. Personnel expenses

The first-time accounting for equity-settled share-based compensation plans generated expenses of EUR 38.1 million. If Rocket Internet SE had implemented the accounting policy in 2014, the share-based compensation expenses in the amount of EUR 17.1 million would have been recorded in the personnel expenses.

III. Other operating expenses

The first-time accounting for equity-settled share-based compensation plans generated expenses of EUR 10.2 million. If Rocket Internet SE had implemented the accounting policy in 2014, the share-based compensation expenses in the amount of EUR 4.1 million would have been recorded in the other operating expenses.

IV. Write downs on financial assets

Permanent impairments caused write-downs of financial assets amounting to EUR 938 thousand (previous year EUR 3,136 thousand). The impairments are mainly related to the following companies:

	Type of impairment	Dec 31, 2015 (EUR thousand)	Dec 31, 2014 (EUR thousand)
Wimdu GmbH	lower fair value	8,873	
Digital Services XXIV S.à r.l.[1]	complete write-off	2,275	
Wonga Group Limited[1]	complete write-off	1,596	
Fabfurnish GmbH[1]	complete write-off	591	
Veliberg GmbH[1]	complete write-off	508	
Kin Shopping GmbH[1]	complete write-off	125	
Digital Service Holding I S.à r.l.[1]	complete write-off		386
Bonnyprints GmbH[1]	complete write-off		356
care.com, Inc.[1]	lower fair value		173
Total		**13,968**	**915**

1) The impairment up to a reminder value of EUR 1 is carried out if an existing business model is assessed as no longer sustainable by the members of management board.

V. Extraordinary expenses

In the current financial year extraordinary expenses of EUR 2,852 thousand (previous year EUR 34,570 thousand) were incurred. These expenses are directly attributable to the capital increase which took place on February 13, 2015.

VI. Income and expenses attributable to other accounting periods

Prior-period expenses of EUR 316 thousand (previous year EUR 39 thousand) are mainly attributable to the costs for preparation and audit of the financial statements of EUR 225 thousand (previous year EUR 16 thousand) as well as to the belatedly invoiced services of EUR 74 thousand. Prior-period income amounts to EUR 1,000 thousand (previous year EUR 1,075 thousand) and relates to reversal of provisions (EUR 410 thousand; previous year EUR 539 thousand) as well as to the reversal of impairments of financial assets (EUR 590 thousand; previous year EUR 536 thousand).

VII. Dividend restriction

In accordance with Sec. 268 (8) HGB, distribution of profit is restricted as follows due to the recognition of assets in the balance sheet:

Profit distribution restriction from the capitalization of:	**EUR thousand**
Internally generated intangible assets	4,010
Total	**4,010**

VIII. Income taxes

The earnings from income taxes are mainly attributable to the reversal of tax provisions, resulting from the final tax assessments for previous periods submitted in the current financial year.

F. OTHER DISCLOSURES

I. Management Board

1. Members of the Management Board

The following members were elected into the Management Board:

Name	Position
Oliver Samwer	Chief Executive Officer (CEO)
Peter Kimpel	Chief Financial Officer (CFO)
Alexander Kudlich	Group Managing Director

2. Remuneration of Managing Directors and the Management Board

According to the shareholder resolution dated August 22, 2014, Rocket Internet SE makes use of the exemption from the requirement for individual disclosure of remuneration of each member of the management board for the financial years 2014 to 2018, according to Sections 286 (5), 314 (2) sentence 2, and 315a (1) German Commercial Code (HGB).

The members of the management board of Rocket Internet SE received a remuneration in cash and benefits in kind of EUR 4,513 thousand.

No new share options under the existing Stock Option Programs 2014 were granted to the members of the management board in 2015. In financial year 2014, the members of the management board received 5,450,054 share options with a grant date fair value of EUR 95,569 thousand.

II. Supervisory Board

1. Members of the Supervisory Board

As of December 31, 2015, the Supervisory Board of Rocket Internet SE is composed of the following members:

Name	Function	Position	Member since
Prof. Dr. Marcus Englert	Chairman, since December from 16, 2015	Management Consultant and Associate Partner of Solon Management Consulting GmbH & Co. KG	August 22, 2014
Norbert Lang	Vice-chairman, since December from 16, 2015	Management-Consultant	June 23, 2015
Lorenzo Grabau	Chairman up to December 15, 2015	CEO of Investment AB Kinnevik	June 23, 2014
Prof. Dr. h.c. Roland Berger		Founder and former CEO of Roland Berger Strategy Consultants	August 22, 2014
Napoleon L. Nazareno		CEO of Philippine Long Distance Telephone Company	August 22, 2014
Erik Mitteregger		Supervisory board member of Investment AB Kinnevik	June 23, 2014
Daniel Shinar		CEO of ClalTech	August 22, 2014
Dr. Martin Enderle		Management-Consultant	June 23, 2015
Prof. Dr. Joachim Schindler		Chartered Auditor and Tax-Adviser	June 23, 2015

The former members of the Supervisory Board that were active during the financial year 2015 are as follows:

Name	Function	Position	Since / until
Philip Yea		Supervisory board member of bwin.party digital entertainment plc, former CEO of 3i Group plc	August 22, 2014/ June 23, 2015
Dr. Erhard Schipporeit		Management Consultant, former CFO of E.ON AG	August 22, 2014/ June 23, 2015
Ralph Dommermuth		CEO of United Internet AG	August 22, 2014/ June 23, 2015

2. Remuneration of the Supervisory Board

Rocket Internet SE has established pro rata provisions for the remuneration of the supervisory board amounting to EUR 298 thousand (previous year EUR 89 thousand). Furthermore, members of the supervisory board claimed reimbursement of travel expenses incurred in conjunction with fulfilment of their duties amounting to EUR 7 thousand (previous year EUR 6 thousand).

III. Number of employees

Rocket Internet SE employed a total of 406 employees as of December 31, 2015 (prior year 331). The average number of employees according to section 267 (5) HGB was as follows:

	Dec 31, 2015	Average 2015
White-collar staff	404	401
Apprentices	2	2
Total	**406**	**403**

IV. Group relationships

As the ultimate parent company, Rocket Internet SE, Berlin, prepares consolidated financial statements for the financial year from January 1 to December 31, 2015, in accordance with Section 290 (1) HGB. The consolidated annual financial statements are published in the electronic Federal Gazette (Bundesanzeiger).

V. Audit and consulting fees

According to section 285 (17) HGB, Rocket Internet SE does not disclose auditor fees. Information is included in the consolidated financial statements.

VI. Research and development costs

Research and development costs amounting to EUR 4,039 thousand (previous year EUR 1,061 thousand) were incurred in the financial year 2015 and were capitalized as internally generate intangible assets. These costs relate to the development of an internet shop system and of the improved flexible technological infrastructure.

VII. Appropriation of the results of the current financial year

Net loss is carried forward to new account.

Berlin, March 31, 2016

Rocket Internet SE

The Management Board

Oliver Samwer	Peter Kimpel	Alexander Kudlich

Rocket Internet SE, Berlin - Appendix to the notes
Development of the fixed assets in 2015

	Acquisition and manufacturing cost					Accumulated amortization, depreciation and write downs						Net book values	
	January 1, 2015 EUR	Additions EUR	Disposals EUR	Reclassifications EUR	December 31, 2015 EUR	January 1, 2015 EUR	Additions EUR	Disposals EUR	Write ups	Reclassifications EUR	December 31, 2015 EUR	December 31, 2015 EUR	December 31, 2014 EUR
I. Intangible assets													
1. Internally generated industrial and similar rights and assets	1,060,885.18	4,039,141.73	0.00	0.00	5,100,026.91	106,089.18	983,892.56	0.00	0.00	0.00	1,089,981.74	4,010,045.17	954,796.00
2. Purchased concessions, industrial property rights and similar rights and assets and licences in such rights and assets	275,777.66	192,424.99	0.00	0.00	468,202.65	124,684.67	41,501.56	0.00	0.00	0.00	166,186.23	302,016.42	151,092.99
	1,336,662.84	4,231,566.72	0.00	0.00	5,568,229.56	230,773.85	1,025,394.12	0.00	0.00	0.00	1,256,167.97	4,312,061.59	1,105,888.99
II. Property, plant and equipment													
1. Other equipment, operating and business equipment	1,866,221.60	790,620.48	347,335.78	0.00	2,309,506.30	1,067,970.31	560,424.14	79,671.44	0.00	0.00	1,548,723.01	760,783.29	798,251.29
2. Advanced payments and assets under constructions	0.00	478,001.57	0.00	0.00	478,001.57	0.00	0.00	0.00	0.00	0.00	0.00	478,001.57	0.00
	1,866,221.60	1,268,622.05	347,335.78	0.00	2,787,507.87	1,067,970.31	560,424.14	79,671.44	0.00	0.00	1,548,723.01	1,238,784.86	798,251.29
III. Financial assets													
1. Investments in subsidiaries	60,935,901.90	996,296,772.19	1,917,320.62	128,501,497.32	1,183,816,850.79	3,056,219.46	2,429,335.80	0.00	585,449.00	0.00	4,900,106.26	1,178,916,744.53	57,879,682.44
2. Participations	182,081,234.70	348,683,755.27	3,911,745.04	-100,216,919.61	426,636,325.32	6,811,840.84	9,972,217.30	1,133,539.15	4,367.00	0.00	15,646,151.99	410,990,173.33	175,269,393.86
3. Securities held as fixed assets	19,989,505.31	24,520,101.71	10,776,075.35	-24,520,101.71	9,213,429.96	172,661.01	1,596,066.34	172,661.01	0.00	0.00	1,596,066.34	7,617,363.62	19,816,844.30
4. Other Receivables	0.00	8,692,000.00	0.00	0.00	8,692,000.00	0.00	0.00	0.00	0.00	0.00	0.00	8,692,000.00	0.00
5. Advance payments for financial assets	3,764,476.00	0.00	0.00	-3,764,476.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,764,476.00
	266,771,117.91	1,378,192,629.17	16,605,141.01	0.00	1,628,358,606.07	10,040,721.31	13,997,619.44	1,306,200.16	589,816.00	0.00	22,142,324.59	1,606,216,281.48	256,730,396.60
	269,974,002.35	1,383,692,817.94	16,952,476.79	0.00	1,636,714,343.50	11,339,465.47	15,583,437.70	1,385,871.60	589,816.00	0.00	24,947,215.57	1,611,767,127.93	258,634,536.88

Management Report for the Group and Parent Company 2015

Rocket Internet SE, Berlin

Translation from German

Table of Content

1. Fundamentals of the Company and the Group

1.1 Business Model

1.1.1 General Information

Rocket Internet SE (until March 18, 2015 Rocket Internet AG), 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 Johannisstrasse 20, 10117 Berlin, Germany.

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

Since October 2, 2014 the shares of Rocket Internet SE, are included in the non-regulated Entry Standard of the Frankfurt Stock Exchange. The admission to the non-regulated Entry Standard does not represent a stock listing pursuant to Sec. 3 (2) AktG (German Stock Corporation Act).

Subsidiaries, associated companies and joint ventures herein are summarized as "network companies".

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

The Combined Management Report for the financial year 2015 is presented in million euros except where otherwise indicated. Unless otherwise indicated, all values are rounded up or down in accordance with a commercial rounding approach, which may result in rounding differences and percentage figures presented may not exactly reflect the absolute figures they relate to. The reporting period is January 1 to December 31, 2015. If not otherwise stated comparative figures for the balance sheet are as of December 31, 2014 and comparative figures for statement of comprehensive income and cash flow statement are for the period January 1 to December 31, 2014.

1.1.2 Business Activities

Rocket Internet SE is one of the leading Internet platforms outside the United States and China.

Rocket Internet was founded in 2007 and has since established numerous companies with activities in more than 110 countries on six continents. Rocket Internet identifies proven Internet and mobile business models and builds these either independently in own subsidiaries or invests in already existing companies (the so-called "GFC Investments", see also Section 1.1.3). Rocket targets mainly new, underserved or untapped fast-growing markets with limited competition, in which new companies will be scaled to market leadership positions. It relies on already proven models with a lower customer acceptance risk. The Group aims to make its network companies, depending on the type of business model, profitable within six to nine years after project launch.

A standardized approach for the formation of companies enables Rocket Internet to bring a company to market in just a few months after it is decided to implement an identified business model in a country or region (project). The goal is that companies achieve operational independence under the leadership of the parent company.

Rocket Internet has a flexible and scalable technology platform, which enables starting several new projects per year in its five target regions

- Europe (excluding Russia and CIS),
- Africa and Middle-East,
- Asia and Pacific (excluding China),
- Russia and CIS (Commonwealth of Independent States), and
- Latin America.

Five Industry Sectors

Rocket Internet is focused on proven Internet-based business models that satisfy basic consumer needs across the following five industry sectors[1]:

- Food & Groceries (individualized fresh food at home and online food delivery and takeaway),
- Fashion (emerging markets online fashion),
- General Merchandise (emerging markets online retail as well as marketplaces for online merchandise),
- Home & Living (international home & living eCommerce) and
- Travel (online and mobile travel bookings, package holidays with transfer).

Regional Internet Groups

Rocket Internet has created Regional Internet Groups in order to combine the knowledge of local markets with the business model expertise, to foster regional commercial, strategic and investment partnerships especially with mobile operators. Our Regional Internet Groups include Asia Pacific Internet Group, Middle East Internet Group and Africa Internet Group.

[1]Sectors do not represent reportable segments.

New Businesses & Investments

In addition to the companies in the five industry sectors, Rocket Internet owns stakes in companies at varying maturity stages, ranging from recently launched models to companies that are in the process of establishing leadership positions or still expanding their geographic reach.

Services

Furthermore, Rocket Internet Group performs a range of IT, marketing and other services, particularly commercial and technical consulting services for its subsidiaries and non-consolidated equity investments. Rocket Internet is usually intensely involved in the strategic leadership and tactical implementation of the business plans of its subsidiaries, associates and joint ventures, in particular in the early years.

Rocket Internet has created the Rocket Internet platform to systematize the process of identifying, building and scaling Internet companies around the world. The goal is to identify commonalities within different business models and leverage these via a platform approach to optimize the building and scaling process.

1.1.3 Legal Structure of the Group / Locations

Rocket Internet has a large number of network companies in countries that are particularly relevant for online and mobile business.

While Rocket Internet as well as some of its subsidiaries focus on providing services along the different functional areas of an Internet business, the operational business is carried out exclusively by Rocket Internet's subsidiaries, associates and joint ventures under the umbrella of specifically created consumer brands.

In its role as group holding, Rocket Internet fulfils central functions including operational investment management, accounting, group financial reporting, press and investor relations, risk management and internal audit as well as human resources.

Rocket Internet typically owns directly or indirectly 80% to 90% of its companies[2] at the time of launch, with the remainder set aside for management equity participations. In subsequent financing rounds, the companies attract the equity financing necessary to expand their business from Rocket Internet and other external investors. The external equity financing is provided by strategic partners and other strategic and financial investors, including existing Rocket Internet shareholders. These investments are either made directly into the company or indirectly into an intermediate holding company or a Regional Internet Group (Africa Internet Holding GmbH, Asia Internet Holding S.à r.l. or Middle East Internet Holding S.à r.l.). In practice, this has meant that the direct and indirect stakes of Rocket Internet in a company have decreased over time to less than 50%. Furthermore, for several companies in which Rocket Internet holds a participation of more than 50%, shareholder agreements exist that lead to ongoing restrictions of Rocket Internet's control over those network companies. Therefore as of December 31, 2015 Rocket Internet does not consolidate most of its significant network companies, but accounts for them as associated companies and joint ventures. The most important associated companies and joint ventures in the Rocket Internet Group as of December 31, 2015 are:

[2] All participation quotas for the network companies shown in the financial statements are based on the Group's ownership calculated pursuant to the respective accounting rules (e.g. reflecting the transaction closing dates, dates of change in control, considering trust shares allocated to the Group etc.) and may therefore differ from the respective information published on the Company's website which is based on the signing dates.

Associated company/ joint venture	Consumer brands
Global Fashion Group S.A.	Dafiti, Lamoda, Zalora & The Iconic, Namshi, Jabong and since September 2015 Kanui and Tricae
Lazada Group S.A.	Lazada, helloPay
New TIN Linio II GmbH	Linio
Home24 AG	Home24, Mobly
Westwing Group GmbH	Westwing
HelloFresh AG	HelloFresh
Emerging Markets Online Food Delivery Holding S.à r.l.	foodpanda, hellofood, Delivery Club
Africa Internet Holding GmbH	Carmudi, EasyTaxi, Everjobs, Hellofood, Jovago, Jumia, Kaymu, Lamudi, Vendito, Zando
Asia Internet Holding S.à r.l	Daraz, Lamudi, Carmudi, Easy Taxi, Kaymu, Helpling, Jovago, Shopwings
Middle East Internet Holding S.à r.l.	Carmudi, Lamudi, Easy Taxi, Helpling, Wadi

As of December 31, 2015 Rocket Internet Group included 182 (previous year 139) fully consolidated companies (including intermediary holdings), of which 119 (previous year 74) companies were located outside of Germany. In addition, Rocket Internet Group held investments in 51 (previous year 53) associated companies and joint ventures. The list of group shareholdings is presented in the notes to the consolidated financial statements.

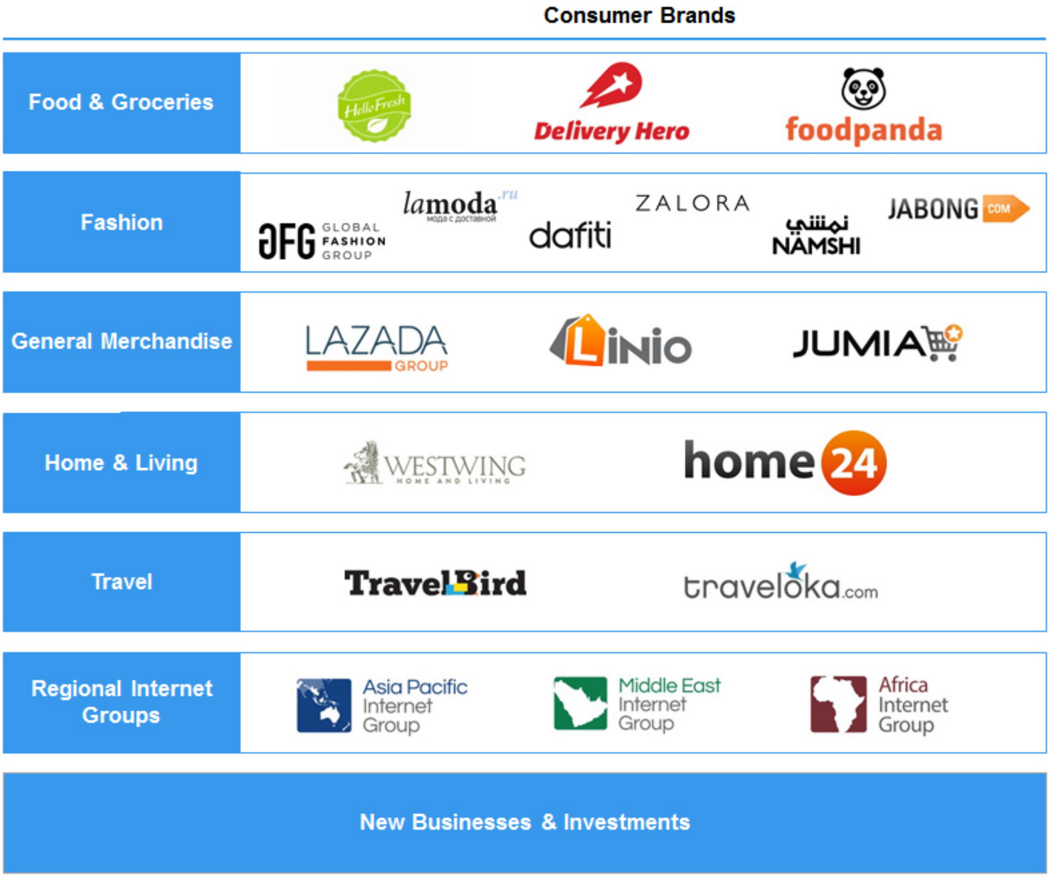
Group's investments in other companies

During the 1st half of 2015 the Group successively purchased approximately 44% of the total outstanding share capital of Delivery Hero Holding GmbH (DHH). Due to subsequent capital increases performed by DHH Rocket's share decreased until December 31, 2015 to approximately 40% (prior to dilutive effects of convertible instruments issued by DHH). Under the terms of the DHH Shareholders' Agreement, the Group's voting rights are limited to 30%. The Group did not obtain representation on the DHH's advisory board (as specified in the DHH's articles of incorporation), which precludes Rocket from the participation in policy-making processes of DHH and from obtaining timely adequate financial information required to apply the equity method of accounting. In light of the lack of significant influence, the Group classified its equity investment in DHH as available-for-sale financial assets.

The Group has designated certain associated companies and other equity investments with ownership percentages below 20% that are not closely related to Rocket's operations as financial assets at fair value through profit or loss. Those equity investments are managed and measured on the basis of fair values in accordance with the risk management and investment strategies. Rocket is acting as an investor within the meaning of IAS 28.18 and the Group is not intensely involved in the strategic leadership and tactical implementation of the business plans of such companies. Furthermore, Rocket usually does not perform significant commercial and technical consulting services for these companies. Particularly this category includes the portfolio of investments into several internet companies (e.g. YemekSepeti, Goodgame Studios, Jimdo, Trusted Shops, Motortalk, Kreditech) acquired in August 2014 by a way of an exchange of shares held by United Internet and Global Founders GmbH in the Global Founders Capital Funds for shares in Rocket Internet. In financial year 2015, additional GFC investments were made in companies such as Craftsvilla, Movinga, Naturebox and Dealerdirect.

1.1.4 Consumer Brands of the Company Network

The following illustration shows a selection of the most important consumer brands used by network companies:



1.1.5 Strategy

Rocket Internet builds and invests in Internet companies that take proven online and mobile business models to new, fast-growing markets. Our companies are "first movers" that quickly capture sizeable market share, the foundation for strong and lasting profitability. We further honed and deepened our approach and made it more efficient in 2015, identifying opportunities in new regions and markets, and consistently expanding the Rocket Internet network of companies.

Rocket Internet has developed a platform which is able to provide its network of companies with a competitive advantage. Our operational excellence and access to international expertise and funding enable us to identify, build and scale proven online and mobile business models anywhere in the world. We have become experts in entering markets that are more difficult to develop due to the lack of basic infrastructure than markets in the industrialized world.

Rocket Internet focuses on five industry sectors of online retail and services that make up a significant share of consumer spending: Food & Groceries, Fashion, General Merchandise, Home & Living and Travel.

Our strategy is influenced by five key trends that drive growth in our key markets:

- Internet penetration in emerging markets is low but growing quickly, which means demand for online services that meet basic needs is surging exponentially.
- The smartphone revolution is giving ever more people Internet access, a big opportunity for online retailers to exploit new demand in all corners of the world.
- The population in many of our markets is younger and thus potentially more tech-savvy than that in the US, which increases the scope for online business models.
- The middle class in many emerging market economies is expected to grow strongly, which we expect to raise discretionary consumer spending significantly.
- Bricks-and-mortar retailing in many target markets is underdeveloped, which will allow online retailers to capture more consumers as they leapfrog to Internet shopping.

By monitoring these developments and keeping a close eye on consumer habits in individual markets, Rocket Internet was able to grow its network of companies still further in 2015.

Our operational platform and our expanding network of companies have put Rocket Internet in a unique position to capitalize on the growth of Internet commerce in and outside Europe. Technological innovation and rapidly changing consumer habits offer online retailers and service providers significant opportunities as Internet-based business models scale quickly. Rocket Internet invests in select business models and sectors, with the aim of owning significant stakes in companies that have the potential to become leading players in their markets.

One of Rocket Internet's major focus areas currently is Food & Groceries, a fast-growing market. Rocket Internet views the sector as the next frontier of eCommerce. In order to expand our global position in this sector, we increased our stake in HelloFresh AG in 2015, a globally active player in the fresh food at home market, to presently 56.7% from 37.5% at the time of the Rocket Internet IPO. Hello Fresh AG has operations in Germany, Austria, the Netherlands, Belgium, the United Kingdom, Australia and the United States. Rocket Internet also invested in the food takeaway company Delivery Hero, resulting in an ownership of 40.0% (prior to dilutive effects of convertible instruments issued by DHH) in this highly promising business model. Furthermore, we invested in foodpanda and increased the stake to 49%. Taking a larger stake in these companies gives us a competitive edge in this attractive sector, while providing the companies with capital to expand their operations and pave the way to become market leaders. Moreover, we further strengthened our market position in the Fashion sector by investing in Global Fashion Group S.A. (La Moda, Dafiti, Namshi, Zalora, Jabong), an online fashion group operating in several emerging markets.

Our aim is to achieve long-term leadership in the markets and sectors we enter. To gain a strong market position, we are willing to invest in the early development stages, leading to start-up losses. Long-term value creation is therefore our key focus when starting new businesses. To support this goal, we continue to invest in our product portfolio technology, the customer experience, infrastructure and logistics capabilities. Targeting profitability in the mid-term, our focus for these companies shifts over time to creating equilibrium between growth and market share on the one hand and unit economics and profitability on the other. It's our objective that these companies reach break-even within six to nine years after launch.

We provide companies launched on the Rocket Internet platform with the financial means to start up and develop their operations. Since we are the initiator of the respective company we own a significant majority and hence we benefit from the so-called "founder economics". Company growth is typically funded through a mix of own and third party capital, underscoring the attractiveness of and value creation in our network of companies. When we see an investment opportunity in a promising business model, we invest with conviction and provide significant amounts of capital. Since capital is a key component in building market leaders, we undertook several measures to raise additional capital in 2015.

Rocket Internet's network comprises are at different stages of development. At the time of launch, we typically own directly or indirectly an 80% to 90% stake, with the remainder set aside for management equity participation. In subsequent financing rounds, we invest and attract external equity financing, which is provided by our local strategic partners as well as other strategic and financial investors. As we firmly believe in the business models we launch, we seek to retain a large share of the absolute value creation and therefore intend to maintain relatively high ownership stakes and control in many of our companies. We continue to participate in financing rounds for our companies and also selectively purchase additional stakes through secondary transactions.

In January 2016, the Rocket Internet Capital Partners Fund was launched, providing an additional source of funding for the network of companies.

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

1.2 Research & Development

Rocket Internet has developed proprietary technologies that are able to provide a competitive advantage for Rocket Internet companies. The internally developed technology platforms are flexible and scalable as they provide network companies with advantages in cost and speed, especially during the start-up and market introduction phase. Rocket Internet has created core technology platforms for the network companies, which allow a “plug and play” setup, and which are used as the starting point in the process of establishing a new company. The technology platform is scalable, which enables the processing of high traffic volumes and the integration of a large number of different countries and languages. The companies adapt those platforms to their individual requirements, while their improvements often benefit the whole network.

All units of the company, supported by a central strategic product development function, optimize the existing offerings and establish innovative products in the market. Most importantly, this means that the offering spectrum is expanded continuously through innovations.

Development expenses are capitalized as internally-generated intangible assets, whereas research expenses are recognized in the income statement.

In its core business, the Group constantly develops new products for the needs of its customers. New developments are subject to user tests on a timely basis. Their experience flows, in turn, into the product optimization.

The entire industry is transitioning from classic desktop-internet companies to mobile-first and even mobile-only, which requires the development of new products. Mobile people increasingly do their research and make choices on their way from one place to another. Smartphones and tablets are more and more replacing the home desktop PC. Further, new device classes are being added, such as internet-capable TV sets and smart watches. The Group is committed to support its network companies in delivering products and rendering services to all relevant digital devices.

The major software developments of the financial year 2015 are:

Software Name	Function / Purpose
SkyRocket	Next generation company-building framework that minimizes the company setup costs and reduces the time to launch new companies
RAP: Rocket Advertising Platform	Highly automated online advertising management application with self-learning algorithms that enables efficient growth of customer base at scale
DataJet.io	Data driven merchandizing. Real-time stream processing engine for search, recommendations and product feeds
SellerCenter	Global vendor integration. Vendor integration with web & mobile apps and public APIs (application program interface)

Furthermore, Rocket Internet has developed instruments to analyze essential key performance indicators that allow us to compare the performance of our companies, identify best practices, and share this knowledge within our network of companies.

2. Economic Report

2.1 General Economic Conditions

According to the International Monetary Fund's (IMF) "World Economic Outlook" published in January 2016, global economic activity remained subdued in 2015. Global growth is currently estimated at 3.1% in 2015. Growth in emerging markets and developing economies, which still accounts for over 70% of global growth, declined for the fifth consecutive year, while a modest recovery continued in advanced economies.

The global outlook continues to be influenced by the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, lower prices for energy and other commodities, and a gradual tightening in monetary policy in the United States. Oil prices have declined significantly since September 2015. Lower oil prices strain the fiscal positions of fuel exporters and weigh on their growth prospects, while supporting household demand and lowering business energy costs for importers, especially in advanced economies. In the Euro area, stronger private consumption supported by lower oil prices and favorable financing conditions is outweighing a weakening in net exports. Growth in emerging market and developing economies is projected to increase from 4 % in 2015 - the lowest since the 2008-09 financial crisis, - to 4.3 % and 4.7% in 2016 and 2017 respectively. Higher growth is projected for the Middle East, but lower oil prices, and in some cases geopolitical tensions and domestic strife, continue to weigh on the outlook. Emerging Europe is projected to continue growing at a broadly steady pace, albeit with some slowing in 2016. Russia, which continues to adjust to low oil prices and Western sanctions, is expected to remain in recession in 2016. Most countries in sub-Saharan Africa will see a gradual pickup in growth, but with lower commodity prices, at rates that are lower than those seen over the past decade. In Europe, where the tide of refugees is challenging the absorptive capacity of European Union labor markets and testing political systems, policy actions to support the integration of migrants into the labor force are critical to alleviate concerns about social exclusion and long-term fiscal costs, and unlock the potential long-term economic benefits of the refugee inflow.

The development of Gross Domestic Product (GDP) and exchange rates in selected countries is as follows:

Country / Currency		**Change of GDP in %**		**Exchange rates (1 EUR = local currency)**		
		2015	2014	31/12/2015	31/12/2014	Change
Russia	RUB	-3.8%	0.6%	80.674	72.337	+11.5%
Brazil	BRL	-3.0%	0.1%	4.312	3.221	+33.9%
India	INR	7.3%	7.3%	72.022	76.719	-6.1%
Indonesia	IDR	4.7%	5.0%	15,039.990	15,076.100	-0.2%
Australia	AUD	2.4%	2.7%	1.490	1.483	+0.5%
Singapore	SGD	2.2%	2.9%	1.542	1.606	-4.0%
Nigeria	NGN	4.0%	6.3%	215.545	219.980	-2.0%
United Arab Emirates	AED	3.0%	4.6%	4.012	4.464	-10.1%
Saudi Arabia	SAR	3.4%	3.5%	4.097	4.560	-10.2%

2.2 Industry-Specific Conditions

Venture Capital Market in Germany

An active market for venture capital plays a vital role in the financing of start-ups and innovations. In light of this, politicians are asked to improve the venture capital environment in Germany with well targeted measures. In September 2015, the Federal Government adopted a key issues paper on the promotion of venture capital in Germany, which includes several measures to strengthen the venture capital scene in Germany and to improve the financing situation. In the broader perspective, the Federal Government wants to develop Germany into a competitive location for venture capital funds.

In Germany, there is a lack of exit opportunities for venture capitalists, which is partly due to the generally poorly developed capital market. The sale of shares of young companies, that still do not generate profits, on secondary markets or the stock exchange often proves to be difficult. This problem could be addressed through the creation of a pan-European stock market segment for growth-oriented companies. This is a core component of the European Capital Markets Union (CMU). European CMU is intended as a long-term project, whose cornerstones are to be placed by the year of 2019. The European Commission assumes that the underdeveloped market conditions are the result of structural problems in the European financial system. The propositions of the European Commission involve not only an expanding financial integration, but also promoting capital market-based corporate financing and specific market segments. The Action Plan of the European Commission includes some of the following measures: improving access to public capital markets, promotion of venture capital and private equity financing, the promotion of innovative forms of financing and strengthening pan-European approaches to SME financing.

Despite this difficult framework, Germany was a dynamic IPO location in 2015. Fifteen companies made an IPO in the Prime Standard in 2015 (previous year: 11) and thereby attracted EUR 7.1 billion, - more than twice as much as in the previous year (EUR 3.4 billion). In 2015, 24 companies were newly listed on the Frankfurt Stock Exchange, the highest number since 2007 (19 in 2014). Overall, the newcomers had a market capitalization of EUR 38.5 billion at initial listing (EUR 21.4 billion in 2014). For the coming year 2016, up to 15 German IPOs are expected, provided that market conditions remain supportive.

General Industry Trends[3]

Following A.T. Kearny's "The 2015 Global Retail E-Commerce IndexTM", the eCommerce industry still shows strong growth. This steady growth is supported by the increasing internationalization in the industry as well as a continuously increasing Internet penetration, especially in emerging markets. Another strong sign for the positive development is the rise of IPOs in the eCommerce industry.

One trend is the increasing Big Data business, as more and more companies want to digitize their processes. This includes the management and storage of data, advanced cloud computing solutions, personalized data analyzing tools and data security.

Internet of Things (IoT), network connectivity of every physical objects (such as cars and houses), could revolutionize the targeted marketing of products and services by moving away from the traditional approach of using newspapers or television and instead reach targeted consumers at optimal times in optimal locations.

The mobile telephone is now also a wallet. With the development of smartphones, the mobile Internet and Near Field Communication (NFC) technology, numerous functions and applications can now be integrated, such as vouchers, tickets, loyalty points and payment services. People are now experiencing a new form of convenience with their mobile phones, such as travelling on

[3] Sources: internal industry analysis by Rocket Internet SE.

public transport using mobile tickets rather than coins or physical tickets, using their smartphones to pay contactlessly while at the same time redeeming coupons and collecting loyalty points or making secure bank payments.

A current trend is the creation and development of “Service” start-ups, for example, companies whose purpose is to simplify ordering lunch, help finding cleaners or booking beauty treatments. Examples of Rocket Internet network companies Eatfirst, Helpling and Vaniday.

Another area of expansion in the Internet industry has been “mobile and urban on-demand-services”. Companies in this area want to make life in cities easier. Business models in this area have only recently become possible with the wide-spread market penetration of GPS smartphones and push messages. These business models work best in densely populated areas, as the services are often time and location-specific. They exhibit elements of vertical integration of logistics and at times an aggregation of the supply side. Because consumers can now make secure purchases using their smartphones, mobile devices are becoming the most used platform for seeking information on goods and services resulting in the rise of retail spending.

Private transport, which in recent decades has shaped the lives of people and the infrastructure of the cities, requires change in order to reduce emissions and relieve urban congestion. The entire technology industry has recognized the mobility sector as a lucrative market. In metropolitan areas, the private car is no longer the sole means of transport and will be displaced increasingly in the future. Short distance trips are going to be dominated by public transport, car sharing and taxi-type services. It will be more convenient to order a car via mobile app than to even look for a parking space. The car of the future will be like an Internet browser the main interface for the digital life. With the launch of DriveJoy Rocket Internet has entered this market.

According to the “(N)ONLINER Atlas” by the “Initiative D21”, a total of almost 78% (previous year 77%) of all Germans (about 54 million people above 14 years old) used the Internet in 2015. The share of smartphone owners increased from 53% in 2014 to 60% in 2015. The ownership of tablets increased to 35% (previous year 28%) which corresponds to a growth rate of 25%. While nearly every user searches the Internet for content and information via search engines (94%), more specific applications are far less frequently used, i.e. by only about two thirds of online users. The information search, especially for consulting purposes, on forums, blogs and other websites takes second place with 68%, while online shopping and social networks (64%) are the third most used applications.

According to the “Measuring the Information Society Report 2015” by the International Telecommunication Union (ITU), the global internet user rate was 43% in 2015. The rate in developed countries amounted to 82.2%, while emerging markets (which are especially important for Rocket Internet Group) had a rate of 35.3%. The 2015 growth rate of the global internet user rate was nearly 7%. The number of internet users in the particularly important for Rocket emerging markets has more than doubled in the last five years. The ITU estimates that the Internet user rate will increase to 45% in emerging markets by 2020, providing significant opportunities for Rocket Internet’s network of companies.

<u>Situation in the Specific Regions</u>

For the consolidated subsidiaries of Rocket Internet Group as well as several important associated companies, the regions *Latin America and Europe (excluding Russia)* are of particular importance. In the other regions, Rocket Internet Group is mainly represented by its associated companies. The situation differs by region:

Europe (excluding Russia and CIS) with approximately 607 million inhabitants at the end of 2015 and an expected population growth of 1.1% in the period between 2015 and 2020 (source: IMF, WEO database October 2015), has around 455 million Internet users (source: IDC database December 2015, Internet Live Stats July 2014) and an Internet user rate of 74.9%. There are 434 million smartphone users living in Europe (source: WCIS database November

2015), which corresponds to a smartphone user rate of 71.5%. Europe's B2C eCommerce market volume is estimated at 351 billion USD (source: eMarketer December 2015).

At the end of 2015, approximately 603 million people lived in *Latin America* (source: IMF, WEO database October 2015). For the period from 2015 to 2020, population growth of 5.7% is expected (source: IMF, WEO database October 2015). With 313 million Internet users (source: IDC database December 2015, Internet Live Stats July 2014), this region has an Internet user rate of 52%. There are 288 million smartphone users living in Latin America (source: WCIS database November 2015), which corresponds to a smartphone user rate of 47.8%. Latin America's Business-to-Consumer (B2C) eCommerce is estimated to have a volume of 41 billion USD (source: eMarketer December 2015).

At the end of 2015, approximately 287 million inhabitants lived in *Russia and CIS* (source: IMF, WEO database October 2015). The population growth expectation for the period 2015 to 2020 for this region lies at 1.7% (source: IMF, WEA database October 2015). With 163 million Internet users (source: IDC database December 2015, Internet Live Stats July 2014), this region has an Internet user rate of 56.7%, and 199 million smartphone users (source: WCIS database November 2015), which corresponds to a smartphone user rate of 69.3%. The B2C eCommerce market volume is estimated at 19 billion USD (source: eMarketer December 2015).

At the end of 2015, 2,534 million inhabitants lived in the *Asia-Pacific (excluding China)* area (source: IMF, WEO database October 2015). For the period 2015 to 2020, a population growth of 6.2% is expected (source: IMF, WEO database October 2015). With 670 million Internet users (source: IDC database December 2015, Internet Live Stats July 2014), the region has an Internet user rate of 26.4%. Furthermore, there are 702 million smartphone users in the Asia-Pacific region (source: WCIS database March 2015), which amounts to a smartphone user rate of 27.7%. Asia-Pacific's B2C eCommerce market volume is estimated at 206 billion USD (source: Marketer November 2015).

Africa and the *Middle East* with approximately 1,367 million inhabitants at the end of 2015 and an expected population growth in the period 2015 to 2020 of 11.8% (source: IMF, WEO database October 2015), are home to about 361 million Internet users (source: IDC database December 2015, Internet Live Stats July 2014), which corresponds to an Internet user rate of 26.4%. The region hosts 286 million smartphone users (source: WCIS database November 2015), which correspond to a smartphone user rate of 20.9%. The B2C eCommerce market volume in Africa and the Middle-East is estimated at USD 15 billion (source: eMarketer December 2015).

2.3 Course of Business

The 2015 financial year was characterized by the acquisition of stakes in various companies as well as by the continued, primarily international expansion of existing companies and the development of various new business models, such as Bonativo, CarSpring, Caterwings, Drivejoy, Nestpick, Sparklist, Somuchmore and Vaniday. This development is reflected in both the increased number of network companies as well as in the extended consolidation scope.

During the 1st half of 2015, the Group performed a series of transactions to strengthen its market position in the global online takeaway market. Under the umbrella of the wholly owned subsidiary Global Online Takeaway Group S.A. Rocket Internet combined all its investments in the online takeaway services (including foodpanda, Delivery Hero, Talabat, La Nevera Roja and Pizzabo.it.). Rocket Internet made several cash investments in the amount of EUR 767.9 million in Delivery Hero and contributed its stake in Yemek Sepeti in exchange for Delivery Hero shares. In addition, Rocket Internet participated in financing rounds of foodpanda in the amount of EUR 68.8 million and acquired foodpanda shares from co-investors for a total price of EUR 6.4 million. It purchased 100% of the shares in La Nevera Roja for EUR 80.4 million and Pizzabo.it for EUR 51.3 million.

Rocket Internet participated in a financing round of HelloFresh and additionally acquired shares from one co-investor. As a result of these transactions (having a total volume of EUR 178.2 million) Rocket obtained, in combination with the previous acquisition of shares from a co-investor in December 2014, a majority share in HelloFresh that does not provide control over HelloFresh AG.

Rocket Internet also participated in financing rounds of Global Fashion Group in the amount of EUR 49.4 million, of Home24 in the amount of EUR 34.0 million, of TravelBird in the amount of EUR 16.5 million, of Lazada in the amount of EUR 15.3 million, of Linio in the amount of EUR 10.0 million and of Helpling in the amount of EUR 5.0 million.

Consolidated revenues remain stable with EUR 128.3 million compared to EUR 128.2 million in the previous year period. The number of fully consolidated companies rose from 139 as of December 31, 2014 up to 182 as of December 31, 2015.

In February 2015, the subscribed capital of Rocket Internet was increased from EUR 153,130,566 to EUR 165,140,790. The 12,010,224 new shares have been placed with institutional investors in a private placement transaction. The shares have been issued at a price of EUR 49.00 per share. Rocket Internet received proceeds from this issue of shares in the amount of EUR 588.5 million (before transactions cost).

In March 2015, Rocket Internet signed a long-term lease agreement for a new headquarters location in Berlin. The office space will be partially used by Rocket Internet itself and also sub-leased to network companies and other parties.

On March 18, 2015 the conversion of Rocket Internet AG into a European Company (SE) was completed.

In July 2015, Rocket Internet issued a convertible bond with a maturity of seven years with a total nominal value of EUR 550 million.

In September 2015, shares of fully-consolidated subsidiaries Kanui and Tricae were exchanged against shares of Global Fashion Group.

In October 2015, the Group exchanged the fully-consolidated subsidiary Zencap Global S.à r.l. against shares of Funding Circle Holdings Ltd.

At the end of 2015 an impairment loss in relation to goodwill at La Nevera Roja and Pizzabo.it totaling EUR 18.1 million were recognized. In February 2016, these two henceforth non-core companies were sold to JustEat plc.

In total, Rocket Internet Group generated in the financial year 2015 a loss for the period of EUR -197.8 million (previous year period profit for the period of EUR 428.8 million). The Group’s total comprehensive income for the period, net of tax amounted to EUR -161.4 million (previous year period EUR 507.1 million). In 2015, other comprehensive income for the period net of tax mainly includes unrealized valuation gains for Delivery Hero.

The previous year’s report forecast of a significant increase in consolidated revenue from online and mobile trading (eCommerce) and from rendering online and mobile services (marketplaces) for those companies that were fully consolidated as of December 31, 2014 has been realized. The consolidated revenues (New Businesses & Investments) increased from EUR 71.2 million in financial year 2014 by 19% to EUR 84.6 million in 2015. As forecast in the previous year, the consolidated subsidiaries (New Businesses & Investments), operating in the areas of eCommerce and marketplaces, have generated negative operating results in 2015 due to their expansion.

In the 2014 Combined Management Report the increase of revenues from rendering services was forecast in the low to mid double-digit percentage range for the parent company. Due to the expansion of the service spectrum along with the enlargement of the workforce, the forecast increase has been achieved and revenues from services increased by 19% in 2015. As reflected in the parent company's annual 2015 financial statements, revenues for services rendered by Rocket Internet increased from EUR 28.8 million to EUR 34.2 million.

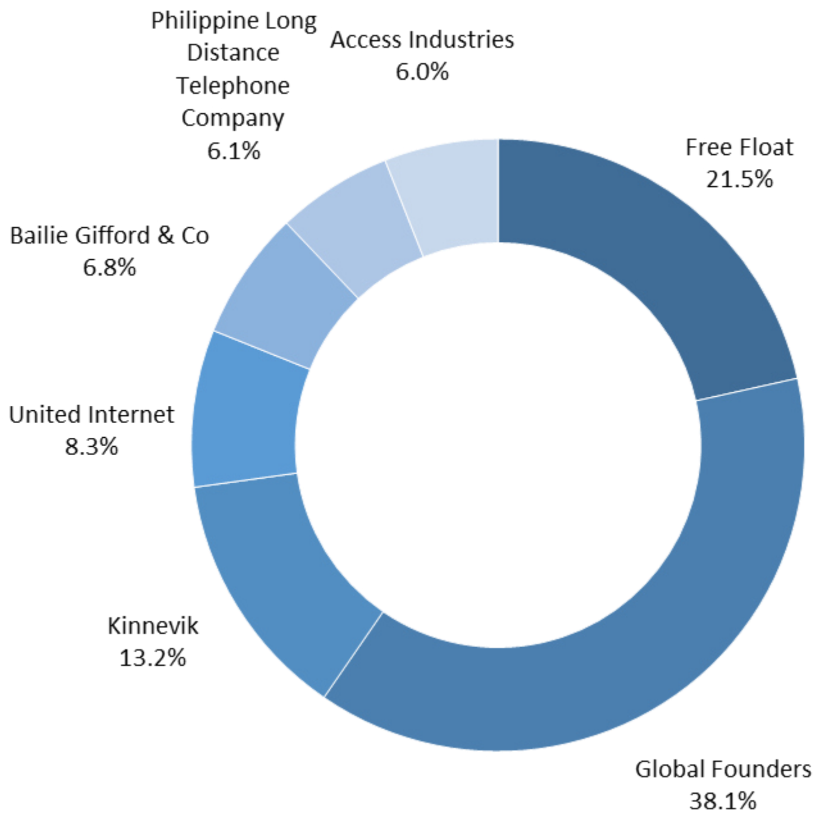
In the annual financial statements of the parent company in 2015, a net loss of EUR 73.5 million (previous year period loss of EUR 45.9 million) was recognized, which resulted primarily from the first-time accounting for share-based payment plans as well as for compensation of obligations through profit or loss.

2.4 Rocket Internet Share and Capital Structure

Since its IPO on October 2, 2014 the Rocket Internet share price decreased from EUR 42.50 by EUR 14.21 to EUR 28.29 as of December 31, 2015 (EUR 51.39 as of December 31, 2014). The market capitalization changed from EUR 6.5 billion on October 2, 2014 to EUR 4.7 billion on December 31, 2015 (EUR 7.9 billion on December 31, 2014). In the financial year 2015, average daily trading via the electronic computer trading system XETRA recognized on average 213,000 shares (previous year period 456,000 shares) with an average value of EUR 6.99 million (previous year period EUR 18.57 million) traded daily. The ISIN code for the shares is DE000A12UKK6.

The subscribed capital of Rocket Internet SE amounted to EUR 165,140,790 on December 31, 2015 (previous year period EUR 153,130,566), and was split into 165,140,790 (previous year period 153,130,566) ordinary bearer shares with no-par value (*Stückaktien ohne Nennbetrag*). Every share grants one vote, other share classes do not exist.

Shareholder structure



Shareholding percentages are generally based on the shareholdings as last notified to Rocket Internet by its shareholders pursuant to Section 20 AktG (German Stock Corporation Act) or the shareholdings as of the time of the IPO in October 2014. The shareholdings have, however, been adjusted for dilution and consider any allocations to shareholders in connection with the share capital increase in February 2015. Please note that these shareholding percentages could have changed within the respective thresholds of Section 20 AktG (German Stock Corporation Act) (25% / 50%) without triggering an obligation of the shareholders to notify Rocket Internet. The shareholding of Global Founders also includes shares that are held by affiliates of Global Founders GmbH. The percentages for Kinnevik, United Internet and Philippine Long Distance Telephone Company were taken from their respective published consolidated financial statements.

Rocket Internet convertible bond

In July 2015, Rocket Internet issued convertible bond amounting to EUR 550 million, maturing in seven years with a nominal interest rate of 3.0%. The bond has been listed on the Open Market on the Frankfurt Stock Exchange and is also traded on German stock markets. The ISIN code for the bond is DE000A161KH4.

2.5 Position of the Group

The consolidated financial statements of Rocket Internet were prepared in accordance with IFRS as adopted by the European Union.

2.5.1 Earnings Position of the Group

in EUR million	**Jan 1-Dec 31, 2015**	**Jan 1-Dec 31, 2014**
Revenue	128.3	128.2
Changes in work in progress/internally produced and capitalized assets	5.7	3.1
Other operating income	5.0	4.2
Result from deconsolidation of subsidiaries	167.0	452.6
Gain from distribution of non-cash assets to owners	0.0	60.6
Purchased merchandise and purchased services	-64.1	-69.8
Employee benefits expenses	-171.7	-141.9
Other operating expenses	-82.5	-87.7
Share of profit/loss of associates and joint ventures	-188.6	75.1
Impairment of non-current assets, depreciation and amortization	-25.3	-2.7
EBIT	**-226.1**	**421.8**
Financial result	29.7	12.0
Income taxes	-1.4	-5.0
Loss/profit for the period	**-197.8**	**428.8**
Other comprehensive income for the period, net of tax	36.4	78.2
Total comprehensive income for the period, net of tax	**-161.4**	**507.1**

Revenue was structured as follows:

in EUR million	Jan 1 - Dec 31, 2015		Jan 1 - Dec 31 2014	
New Businesses & Investments	84.6	66%	71.2	56%
General Merchandise	0.0	0%	19.8	15%
Other Services	43.7	34%	37.2	29%
Total	**128.3**	**100%**	**128.2**	**100%**

As in the previous year period, the revenues of the New Businesses & Investments were generated mainly in Brazil by the subsidiaries Kanui and Tricae as well as by the German entity Bonnyprints GmbH. Until their deconsolidation (inclusion into the Global Fashion Group at the end of September 2015), Kanui's (EUR 31.6 million) and Tricae's (EUR 29.9 million) revenues were included in the company revenues.

Furthermore, the main revenue contributors were Clickbus Brazil, La Nevera Roja and Printvenue India.

The previous year period includes General Merchandise sales in Africa in the amount of EUR 19.8 million generated by Jumia. The Jumia subgroup was deconsolidated following a financing round of Jumia in July 2014.

The revenues from other services comprise mainly income from consulting services performed for associated companies and joint ventures. The increase of revenues from other services is driven by the expansion of the service spectrum.

Of the total consolidated revenues, 53% were generated in Latin America (previous year period 50%), 26% in Germany (previous year period 18%) and 21% in the rest of the world (previous year period 32%). The change in the regional split is mainly due to the deconsolidation of the Africa eCommerce Holding GmbH (Jumia) in July 2014.

Other operating income in the amount of EUR 5.0 million (previous year period EUR 4.2 million) originated mainly from currency translation gains amounting to EUR 2.6 million (previous year period EUR 0.5 million) and gains on disposal of available-for-sale investments amounting to EUR 0.3 million (previous year period EUR 1.2 million).

The result from deconsolidation of subsidiaries in the amount of EUR 167.0 million (previous year period EUR 452.6 million) mainly originated with EUR 65.5 million from the exchange of shares in Kanui Comercio Varejista Ltda. for shares in Global Fashion Group, with EUR 53.8 million from the exchange of shares in Tricae Comercio Varejista Ltda. for shares in Global Fashion Group, with EUR 23.0 million from the exchange of shares in Zencap Global S.à r.l. for shares in Funding Circle Holdings Ltd., with EUR 9.7 million from the loss of control (deemed disposal) of Digital Services XXVIII S.à r.l. (Nestpick), with EUR 5.5 million from the contribution of 97% of the shares in LIH Subholding Nr. 3 UG (haftungsbeschränkt) & Co. KG to Carmudi Global S.à r.l., with EUR 8.8 million from the contribution of 97% of shares in LIH Subholding Nr. 4 UG (haftungsbeschränkt) & Co. KG to Lamudi Global S.à r.l. (Lamudi) in exchange for shares in these two companies.

In May 2014, the shareholders of the Company agreed on a dividend in kind. In this respect, the Company transferred 4,145 and 1,892 shares from its associates Bigfoot I to Emesco and AI European Holdings S.à r.l., as well as 4.559 and 2.082 shares from Bigfoot II to Emesco and AI European Holdings S.à r.l. by use of a separate business share transfer contract. The resulting gain from distribution of non-cash assets to owners amounted to EUR 60.6 million. No such distributions were made in 2015.

The cost of purchased merchandise and purchased services decreased by 8%. This is caused mainly by the decreased cost of purchased merchandise (EUR 44.7 million; previous year period EUR 57.4 million) partially offset by the increased cost for shipping, payment services, freight/logistics and other purchased services (EUR 19.4 million; previous year period EUR 12.4 million). The decrease is mainly due to the deconsolidation of Africa eCommerce Holding GmbH in July 2014 (purchased merchandise and purchased services EUR 0.0 million; previous year period EUR 19.5 million) as well as an increase in those costs in Tricae (EUR 23.5 million; previous year period EUR 15.3 million) and the decrease in Kanui (EUR 22.2 million; previous year period EUR 24.1 million).

Employee benefits expenses, which amounted to EUR 171.7 million (previous year period EUR 141.9 million), represented a major expense item and included the current remuneration as well as expenses arising from equity-settled and cash-settled share-based payments.

Other operating expenses included mainly advertising and marketing costs (EUR 31.4 million; previous year period EUR 32.1 million), legal and consultancy fees (EUR 10.7 million; previous year period EUR 8.4 million), rental, office and IT costs (EUR 15.9 million; previous year period EUR 13.8 million) and external services (EUR 4.4 million; previous year period EUR 8.7 million). Expenditure was undertaken, in particular, in the area of marketing and related to the acquisition of new market shares and efforts to increase brand awareness. The online marketing activities were aimed, in particular, at the generation of traffic and included traditional search engine marketing (SEM), search engine optimization (SEO) as well as affiliate and display marketing.

The share of profit/loss from associates and joint ventures is overall negative and amounts to EUR -188.6 million (previous year period positive EUR 75.1 million). In financial year 2015, it includes mainly losses attributable to Global Fashion Group of EUR -95.9 million, to Africa Internet Holding of EUR -36.6 million, to foodpanda of EUR -33.0 million, to Linio of EUR -26.4 million, to Asia Internet Holding of EUR -23.3 million and to HelloFresh of EUR -22.2 million. In the financial year 2014, the gain of EUR 75.1 million mainly relates to gains attributable to Bigfoot of EUR 52.0 million and to BGN Brillant Services GmbH of EUR 48.3 million, as well as the share of loss attributable to Home24 of EUR 12.7 million and to Westwing of EUR 10.2 million.

The impairments of non-current assets, depreciation and amortization mainly include the impairment charges of EUR 18.1 million related to the goodwill at Pizzabo.it and La Nevera Roja. In addition, depreciation and amortization increased from EUR 2.7 million to EUR 7.3 million primarily due to the amortization of internally generated software and intangible assets acquired in the course of business combinations (Pizzabo.it and La Nevera Roja).

EBIT are comprised of revenues, changes in work in progress and internally produced and capitalized assets, the result from deconsolidation of subsidiaries, cost of purchased merchandise and purchased services, employee benefits expenses, impairment of non-current assets, depreciation and amortization and other operating expenses, plus other operating income, gain from distribution of non-cash assets to owners and the share of profit/loss from associates and joint ventures.

The financial result of EUR 29.7 million (previous year period EUR 12.0 million) primarily includes net changes (gains and losses) in fair value of equity instruments accounted for at fair value through profit or loss of EUR 33.0 (previous year period EUR 12.9 million), interest expense from convertible bond of EUR 9.4 million (previous year period EUR 0.0 million) and dividends from associates of EUR 4.2 million (previous year period EUR 0.2 million).

Other comprehensive income for the period, net of tax in the amount of EUR 36.4 million (previous year period EUR 78.2 million), which is reclassified to profit or loss in subsequent periods, mainly includes the net gain on available-for-sale financial assets of EUR 135.3 million which primarily results from fair value measurement of Rocket Internet's investment in Delivery Hero. Furthermore, this line item mainly includes the share of the changes in the net assets of associates/joint ventures amounting to EUR -99.0 million (previous year period EUR 80.2 million) that are recognized in the OCI of associates/joint ventures.

2.5.2 Financial Position of the Group

in EUR million	Jan 1-Dec 31, 2015	Jan 1-Dec 31, 2014
Cash flows from operating activities	-105.5	-94.5
Cash flows from investing activities	-1,347.8	-163.5
Cash flows from financing activities	1.165,2	1,864.3
Net change in cash and cash equivalents	-288.2	1,606.3
Net foreign exchange difference	3.3	0.0
Cash and cash equivalents at the beginning of the period	2,053.5	447.2
Cash and cash equivalents at the end of the period	1,768.6	2,053.5

As in the previous year, cash and cash equivalents at the end of the period comprise cash and cash equivalents in the amount of EUR 9.7 million (previous year period EUR 0.0 million), that are included in the assets classified as held for sale.

The negative cash flows from operating activities are typical for the industry and are mainly attributable to the start-up losses incurred by consolidated subsidiaries.

The cash flows from investing activities consist mainly of the cash-outflows for the Group's acquisitions of non-consolidated equity investments such as the acquisition of shares in Delivery Hero, GFC Investments as well as the participation in financing rounds of associated companies. Another effect is the cash-outflows from the acquisition of La Nevera Roja and Pizzabo.it. In total, payments in the amount of EUR 1,219.5 million (previous year period EUR 116.4 million) were made for acquisition of non-consolidated companies and of EUR 119.7 million, net of cash acquired (previous year period EUR 0.0 million), for acquisition of consolidated companies. The cash flows from investing activities also include net payments for cash paid in connection with short-term financial management of cash investments in the amount of EUR -39.0 million (previous year period EUR -6.7 million) that are related to the payments in conjunction with short-term loans to associates and to joint ventures. Furthermore, the amount of EUR 11.6 million (previous year period EUR 8.5 million) was invested in fixed and intangible assets in the reporting period, relating particularly to the expansion of operating and business equipment and to internally generated software. Due to exchange rate changes, the cash and cash equivalents of the Group increased to EUR 3.3 million (previous year period EUR 0.0 million).

Cash flows from financing activities mainly include the cash-inflows from capital increases and the issuance of convertible bonds.

In February 2015 the Group carried out an equity increase at the level of the parent company in the amount of EUR 588.5 million, less transaction costs of EUR 2.8 million (previous year period EUR 0.0 million). In addition, EUR 9.3 million were paid for transaction costs in 2015 incurred in the financial year 2014 in conjunction with the Group's IPO. The issued convertible bond in July 2015 resulted in a cash inflow of EUR 550.0 million, less transaction costs totaling EUR 2.8 million.

Moreover, during 2015 the Group received payments from capital increases at the level of consolidated subsidiaries totaling EUR 58.0 million (previous year period EUR 101.6 million) from non-controlling shareholders. During the reporting period a non-controlling shareholder of a consolidated subsidiary received a cash dividend of EUR 8.0 million. No dividends were paid to the shareholders of the parent in the reporting period (previous year period EUR 286.8 million). In 2015, the Group purchased shares from non-controlling shareholders of a Group subsidiary for a cash consideration in the amount of EUR 9.6 million (previous year period EUR 0.2 million).

2.5.2.1 Capital Structure

The capital structure as of the balance sheet date is characterized by a high equity ratio of 87% (previous year period 96%). The Group obtained its financing primarily through equity issuance at the level of the parent company, through attracting investors for subsidiaries (non-controlling interests) and through the issuance of a convertible bond in 2015.

In February 2015, the Group carried out an equity increase at the level of the parent company in the amount of EUR 588.5 million, less transaction costs of EUR 2.8 million. The convertible bond issued in July 2015 resulted in a cash inflow of EUR 550.0 million, less transaction costs totaling EUR 2.8 million, of which an amount of EUR 37.7 million was recorded as an equity component.

2.5.2.2 Investments

The investment activities undertaken in the financial years 2014 and 2015 are as follows:

in EUR million	**Jan 1-Dec 31, 2015**	**Jan 1-Dec 31, 2014**
Cash investing activities	1,347.8	163.5
Non-cash investing activities	217.9	372.7
Total investments	1,565.7	536.2

For further details concerning cash investing activities, please refer to the statements regarding the cash flow from investing activities.

In the financial year 2015, the main non-cash investing activities relate to transactions concerning the acquisition of new shares of the Global Fashion Group via exchange of shares valued at fair value of Kanui (Jade 1159. GmbH and its subsidiaries VRB GmbH & Co. B-195 KG and Kanui Comercio Varejista Ltda.) and Tricae (Jade 1218. GmbH and its subsidiaries VRB GmbH & Co. B-196 KG and Tricae Comercio Varejista Ltda.), as well as the exchange of shares of Yemek Sepeti for shares of Delivery Hero. Furthermore, LIH Subholding Nr. 3 UG (haftungsbeschränkt) & Co. KG was contributed to Carmudi Global S.à r.l. in exchange for shares in this entity, while LIH Subholding Nr. 4 UG (haftungsbeschränkt) & Co. KG was contributed to Lamudi Global S.à r.l. in exchange for shares in this entity. Shares of the crowdfunding platform Zencap Global S.à r.l. were contributed to Funding Circle Holding Limited in exchange for shares in this entity.

Significant non-cash investing and financing activities as well as transactions in the year 2014 include the exchange of shares of the fully-consolidated company LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG (including its 13 subsidiaries) for shares of Emerging Markets Online Food Delivery Holding S.à r.l. and the acquisition of shares of the Global Fashion Holding S.A., established in 2014, via the contribution of shares of Bigfoot GmbH. In August 2014, the Group carried out a capital increase and used the newly issued shares as acquisition currency to purchase shares of companies in two transactions. In the first transaction, Rocket Internet received shares of Bigfoot GmbH, BGN Brillant Services GmbH, Home24 and Westwing Group Holding GmbH from Holtzbrinck Ventures. In the second transaction, United

Internet AG and Global Founders GmbH contributed a portfolio consisting of about 50 companies to Rocket Internet SE.

The capital contribution and investment obligations (as of December 31, 2015 totaling EUR 61.0 million) will be financed by existing cash and cash equivalents. They result from contracts concluded before the reporting date and mainly result from capital increases in Africa Internet Holding GmbH and CupoNation Group GmbH.

2.5.2.3 Liquidity

The Group's financial position can be described as strong. Cash and cash equivalents amount to EUR 1,768.6 million (previous year EUR 2,053.5 million) as of December 31, 2015.

The Group was able to meet all its payment obligations at all times.

2.5.3 Asset Position of the Group

Assets

in EUR million	Dec 31, 2015		Dec 31, 2014	
Non-current assets	3,162.2	63%	1,805.8	46%
Current assets	1,816.7	37%	2,109.5	54%
Assets classified as held for sale	17.1	0%	3.9	0%
Total	4,996.0	100%	3,919.1	100%

Equity & Liabilities

in EUR million	Dec 31, 2015		Dec 31, 2014	
Equity	4,352.1	87%	3,771.9	96%
Non-current liabilities	535.5	11%	9.4	0%
Current liabilities	100.9	2%	137.8	4%
Liabilities directly associated with assets classified as held for sale	7.6	0%	0	0%
Total	4,996.0	100%	3,919.1	100%

The Company's largest asset items are shares in associates and joint ventures, accounted for using the equity method (34% of the balance sheet total; previous year period 37% of the balance sheet total), other non-current financial assets (27% of the balance sheet total; previous year period 9% of the balance sheet total) as well as cash and cash equivalents (35% of the balance sheet total; previous year period 52% of the balance sheet total).

During financial year 2015, Rocket invested a significant amount in Delivery Hero. As of December 31, 2015 the Group owned approximately 40% (prior to dilutive effects of convertible instruments issued by Delivery Hero) of the total outstanding share capital of Delivery Hero. As of December 31, 2015 the carrying amount of the shares in Delivery Hero amounted to EUR 978.9 million (previous year period EUR 0.0 million).

The increase of non-current assets from EUR 1,805.8 million by EUR 1,356.5 million to EUR 3,162.2 million is mainly attributable to the above mentioned acquisition of Delivery Hero shares. Other substantial effects are the purchase of shares in associated companies accounted for using the equity method amounting to EUR 500.1 million, mainly due to Rocket Internet's participation in financing rounds and purchases of existing shares of HelloFresh, Global Fashion Group, Home24, foodpanda, TravelBird and Lazada. This above mentioned increase of investments in associates was partially reduced by the share of losses of associates and joint ventures. Furthermore, the increase of non-current assets was caused by the increase of intangible assets from EUR 9.0 million by EUR 120.1 million to EUR 129.1 million, mainly due to the acquisition of Pizzabo.it and La Nevera Roja and the resulting increase in goodwill, trademarks and customer base.

Current assets decreased from EUR 2,109.5 million by EUR 292.8 million to EUR 1,816.7 million. The decrease is mainly due to the decrease of cash and cash equivalents in the financial year 2015 (EUR 1,758.9 million; previous year period EUR 2,053.4 million). For details concerning the development of liquidity, refer to the statements under section "2.5.2 Financial Position of the Group". Other effects are the decrease of inventories from EUR 11.2 million by EUR 10.5 million to EUR 0.7 million, due to the deconsolidation of Kanui and Tricae and the increase of other current financial assets from EUR 15.1 million by EUR 26.2 million to EUR 41.3 million mainly due to the increase of current loan receivables and other financial assets.

Assets classified as held for sale mainly consist of the current and non-current assets of Spotcap (EUR 11.2 million) and Clickbus Brazil (EUR 3.5 million).

Total consolidated equity rose from EUR 3,771.9 million by EUR 580.3 million to EUR 4,352.1 million. This development is mainly caused by the increase of the subscribed capital performed in February 2015 with gross proceeds of EUR 588.5 million and due to the recognized income from issuing a convertible bond in the amount of EUR 37.7 million. The increase was also a result of the total comprehensive loss of EUR 161.4 million comprising both, the loss for the period (EUR -197.8 million) and the other comprehensive income after tax (EUR 36.4 million). Other changes in equity result from the increase of the reserves for equity-settled share-based payments, the proceeds from non-controlling interests, dividends paid to non-controlling interests, the purchase of non-controlling interests without change in control and changes in scope of consolidation as well as other changes in non-controlling interests.

Non-current liabilities increased from EUR 9.5 million by EUR 526.0 million to EUR 535.5 million. The increase is mainly due to the convertible bond issued in July 2015 (liabilities as of December 31, 2015 amounted to EUR 512.0 million). Furthermore, the deferred tax liabilities increased from EUR 3.6 million to EUR 8.2 million. Another substantial effect is the increase of non-current financial liabilities, mainly due to the contingent consideration liability incurred in conjunction with the acquisition of Pizzabo.it.

Current liabilities decreased from EUR 137.8 million by EUR 36.9 million to EUR 100.9 million. The decrease is mainly due to the de-recognition of trade payables of Kanui and Tricae which were deconsolidated in September 2015 and the payment of liabilities that existed as of December 31, 2014 from income taxes as well as liabilities from the Company's IPO. This decrease was partially compensated by the increase in liabilities for cash-settled share-based payments.

Liabilities directly associated with assets classified as held for sale consist mainly of the non-current and current liabilities of Spotcap (EUR 4.6 million) and of Clickbus Brazil (EUR 1.6 million).

2.5.4 Overall Statement with regard to the Earnings, Financial and Asset Position of the Group

Rocket Internet Group addressed its multifaceted challenges during the financial year 2015 mostly successfully. On the one hand, the reporting period is characterized by strategic acquisitions of shares in various companies and the additional, mostly international expansion of existing businesses as well as by the development of new business models. On the other hand, some of the no longer viable business models were discontinued, sold or limited to operate regionally. Important steps for the corporate reorganization of the network companies (especially Linio and Lazada) were undertaken. Moreover, additional liquidity was improved through the increase in subscribed capital and the issuing of the convertible bond, which was essential for the expansion of network companies as well as for the development or acquisition of new businesses. Despite the high negative result, the overall business development can be considered as satisfactory. Based on our solid balance sheet structure and the existing financing possibilities due to the Rocket Internet Capital Partners Fund established in January 2016, we are well-positioned to achieve future growth both organically and through acquisitions (GFC Investments). We have an unaltered view that our platform strategy leaves us well-positioned to maintain and foster the performance of the Group.

2.6 Position of the Company

The separate financial statements of Rocket Internet SE were prepared in accordance with German commercial law provisions (HGB).

2.6.1 Earnings Position of the Company

in EUR million	Jan 1-Dec 31, 2015	Jan 1-Dec 31, 2014
Revenue	34.2	28.8
Changes in work in progress	0.2	-0.3
Other own work capitalized	4.0	1.0
Other operating income	30.5	5.9
Cost of materials	-8.6	-6.7
Personnel expenses	-77.0	-17.8
Amortization/depreciation of intangible assets and of property, plant and equipment	-1.6	-0.7
Other operating expenses	-45.5	-20.9
EBIT	**-63.8**	**-10.7**
Extraordinary expenses	-2.9	-34.6
Financial and investment result	-7.3	-0.6
Income taxes, other taxes	0.5	-0.0
Net loss for the year	**-73.5**	**-45.9**

Driven by the business model of Rocket Internet SE, the earnings performance can vary substantially from year to year, which is also due to occasional sales of participations.

The Company's revenue increased from EUR 28.8 million by 18.7% to EUR 34.2 million due to an extended range of the services offered.

The disposal of participations during the reporting period impacted the other operating income position by EUR 23.7 million (previous year EUR 3.7 million), the majority of which resulted from selling of Zalando SE securities amounting to EUR 17.7 million (previous year disposal of shares in Bigfoot GmbH in the amount of EUR 2.3 million).

The average number of employees during the financial year 2015 increased in comparison to the previous financial year from 257 to 403 (an increase of 56.8%). The total personnel expenses increased by 332.6% to EUR 77.0 million (previous year EUR 17.8 million). The expansion of the workforce due to extension of the service spectrum led to an increase of the regular personnel expenses by 65.7% to EUR 29.5 million (previous year EUR 17.8 million). Additionally, the first-time accounting for equity-settled share-based payment plans generated expenses amounting to EUR 38.0 million, which were recorded as personnel expenses. Moreover, the expenses for compensation obligations of EUR 9.5 million were recognized in personnel expenses as well.

Other operating expenses include first-time accounting for equity-settled share-based payment plans which generated expenses of EUR 10.2 million. Moreover, the expenses for compensation obligations generated expenses of EUR 14.0 million (previous year EUR 8.8 million).

The gain from participations in the financial year 2015 amounted to EUR 15.3 million (previous year EUR 0.0 million), the majority of which resulted from distribution in kind of shares in Emerging Markets Online Food Delivery Holding S.à r.l. received form a subsidiary. Interest expense on convertible bond amounts to EUR 9.4 million (previous year EUR 0.0 million). Furthermore, financial and investment result includes financial asset impairment charges amounting to EUR 14.0 million (previous year EUR 0.9 million).

The extraordinary expenses relate almost exclusively to the cost of raising equity.

The net loss for the financial year amounts to EUR 73.5 million (previous year period net loss for the year of EUR 45.9 million). The Company realized a return on equity of -2.6% (previous year -2.0%). EBIT totaled EUR -63.8 million (previous year EUR -10.7 million) and EBITDA amounted to EUR -62.2 million (previous year EUR -10.0 million).

2.6.2 Financial and Asset Position of the Company

Assets

in EUR million	Dec 31, 2015		Dec 31, 2014	
Fixed assets	1,611.8	47%	258.6	11%
Current assets	1,805.0	52%	2,052.5	89%
Other assets	39.3	1%	2.6	0%
Total	3,456.1	100%	2,313.7	100%

Equity & Liabilities

in EUR million	Dec 31, 2015		Dec 31, 2014	
Equity	2,857.1	83%	2,256.1	97%
Provisions	36.9	1%	39.1	2%
Liabilities	562.1	16%	18.5	1%
Total	3,456.1	100%	2,313.7	100%

The financial position of the Company can be described as strong. It continues to offer opportunity for investments into new companies and for participations in capital increases in existing ones. Cash and cash equivalents as of December 31, 2015 amounted to EUR 1,720.0 million (previous year EUR 1,997.7 million). Thus, the Company experienced a negative cash flow of EUR 277.7 million (previous year positive cash flow EUR 1,612.2 million). The decrease of cash and cash equivalents is a result of investments in the financial year.

In the reporting period, the Company remains financed mainly through equity with an equity ratio as of December 31, 2015 of 82.7% (previous year 97.5%). No advance dividends were made in 2015 (previous year EUR 291.2 million).

The asset position comprises participations amounting to EUR 1,606.2 million (46.5% of total assets; previous year EUR 256.7 million, 11.1% of total assets), receivables from subsidiaries and companies in which a participation is held in the amount of EUR 81.9 million (2.4% of total assets; previous year EUR 52.3 million, 2.3% of total assets) as well as cash and cash equivalents in the amount of EUR 1,720.0 million (49.8% of total assets; previous year EUR 1,997.7 million, 86.3% of total assets).

The increase in participations by EUR 1,349.5 million is mainly due to the acquisitions of shares in various companies as well as to the further, mostly international expansion of existing businesses. Moreover, the company invested into the development of diverse new business models, such as Global Online Takeaway Group S.A., Global Fashion Group S.A. and GFC Global Founders Capital S.à r.l.. The financial assets were impaired in the amount of EUR 14.0 million, thereby exceeding last year's figure (previous year EUR 0.9 million), which resulted primarily from impairments of Wimdu GmbH and Digital Services XXIV S.à r.l. (Project Tripda). On the other hand, the impairment losses were reversed by EUR 0.6 million (previous year EUR 0.5 million).

In 2015, loan receivables were impaired by EUR 5.9 million (previous year EUR 0.2 million). The majority thereof relate to PTH Brillant Services GmbH (Office Project) and the Digital Services XXXIII S.à r.l., (Real Estate Project), whose operations were ceased, thereby making their loan receivables irrecoverable.

2.6.3 Overall Statement with regard to the Earnings, Financial and Asset Position of the Company

Rocket Internet SE has successfully addressed its multifaceted challenges during the financial year 2015. Rocket Internet SE's economic position is characterized by investment activities and expansion of its network of companies. The expenses exceeded the total earnings in the financial year. This is especially due to a first-time recognition of share-based payment expenses and the increased expenses for compensation obligations (EUR 71.6 million) as well as to impairments of investments and of granted loans. Despite the high negative result, the overall business development can be considered as satisfactory. The development of investment activities and expansion of the network companies continued even after the reporting date. Based on the company's noticeably solid balance sheet structure, Rocket Internet SE is in a good position to achieve future growth both organically and through future investments. We have an unaltered view that our platform strategy leaves us well-positioned to maintain and to expand and strengthen our company network in the future.

2.7 Financial and Non-Financial Performance Indicators

Rocket has defined a series of financial performance indicators aimed at the control of the consolidated group companies and the non-consolidated companies. These are, or can be, so-called non-GAAP financial measures. Other companies, which use financial measures with a similar designation, may define them differently.

Profitable growth of gross and net revenues is an important factor for the long-term increase in corporate value. Rocket Internet measures the profitability of its businesses primarily on the basis of EBITDA and EBIT.

In addition to the above-stated financial performance indicators, the Group uses various other key figures in order to measure the economic success of business activities. For an assessment of the revenue potential of the companies, performance indicators such as the number of orders, number of transactions, number of customers or the number of homepage visitors are used. In the area of eCommerce for instance, Rocket Internet analyzes the turnover ratios of the operative net current assets, return rates in eCommerce and the quality of operative procedures in order to ensure the timely and correct shipping and invoicing of the ordered merchandise as part of the monitoring of operations.

For example, the performance indicators for the Group's top two revenue generating subsidiaries are as follows:

Kanui (in thousands)	**Jan 1-Sep 26, 2015 *)**	**Jan 1-Dec 31, 2014**
Number of orders (sent)	1,007	903
Number of customers	1,243	863

Tricae (in thousands)	**Jan 1-Sep 26, 2015*)**	**Jan 1-Dec 31, 2014**
Number of orders (sent)	721	586
Number of customers	781	520

*) until deconsolidation on September 26, 2015

The quality of products and solutions is a critical success factor. In this context, the reliability, user friendliness and availability of the products offered online play an important role. Availability and interruption-free operation of the service systems as well as the resistance against targeted attacks, from hackers or through manipulation for example, are essential for providing customers with the promised services.

Rocket Internet's business approach and business policy is oriented towards sustainability. This approach is demonstrated particularly in high investments in customer relations, new fields of business and, accordingly, in future growth. With regard to customer loyalty and satisfaction as well as service quality, aspects relevant to security (e.g. security of cashless payments, data maintenance of bank accounts and other customer data) are considered highly important.

3. Events after the Reporting Date

On January 19, 2016 Rocket Internet announced the first closing of Rocket Internet Capital Partners Fund, with total commitments of USD 420 million of which Rocket Internet contributed USD 50 million. The Fund will invest alongside Rocket Internet, with the exception of investments that are deemed strategic for Rocket Internet.

Rocket Internet announced the divestiture of two takeaway food operations on February 5, 2016. The transaction is in line with Rocket Internet's strategy to divest non-core operations that are not market-leading. The companies sold were La Nevera Roja in Spain and Pizzabo.it in Italy. The transaction in Italy was completed on the date of announcement (closing). It is anticipated that the transaction in Spain will be completed in the second or third quarter of 2016 (closing), as it is still subject to regulatory approval from the Spanish competition authority, the Comisión Nacional de los Mercados y la Competencia.

Rocket Internet decided on a partial buyback of convertible bonds on February 15, 2016. During the year 2016 the Management Board of Rocket Internet SE decided to spend up to EUR 150.0 million on a program to repurchase Company's senior unsecured convertible bonds due in 2022. Repurchases of bonds under the program may commence immediately.

The online lending platform Spotcap Global S.à r.l raised EUR 31.5 million in new funding on February 2, 2016, led by international private equity firm, Finstar Financial Group, with participation from the previous investor Holtzbrinck Ventures.

No other events of special significance occurred after the end of the financial year.

4. Forecast Report, Report of Opportunities and Risks

4.1 Forecast Report

The International Monetary Fund (IMF) published its "World Economic Outlook" (update January 2016), in which it expressed its concerns and downgraded the global growth projection for 2016 and 2017 by 0.2 percentage points to 3.4% and 3.6% respectively. This shift reflects a less optimistic outlook for emerging economies.

With regard to the worldwide Internet sector, market parties expect a continuation of the shift from traditional sales channels to online and mobile business and an acceleration of the growth in mobile Internet usage. Accordingly, the entire industry goes through a transition from classic desktop-Internet companies to mobile-first and even mobile-only. The emergence of new competitor companies in the incubation business as well as the operative online business and the development of new online business models are very likely.

We expect the further, mostly international expansion of our companies to continue accompanied by the development and acquisition of various new business models. On the one hand, this development will be reflected in an extended consolidation scope and additions to financial assets. On the other hand, the number of fully consolidated companies will decrease in 2016, if the underlying business models are considered unsustainable.

Regarding New Businesses & Investments, Rocket Internet Group expects a considerable increase in consolidated revenue for the financial year 2016 for those companies that continue to be fully consolidated after December 31, 2015. Overall, due to deconsolidation of Kanui and Tricae (in September 2015), the sale of Bonnyprints (in January 2016), La Nevera Roja and Pizzabo.it (in February 2016) and some other former subsidiaries (Zencap, Nestpick, Spotcap, Clickbus Brazil, Zocprint), shutdowns (Airu, Tripda, Kaymu, Vendomo, Spaceways, Shopkin, EatFirst Germany), and a possible selling of further subsidiaries, a sharp decrease in consolidated revenue is forecast for the financial year 2016. Due to the expansion strategy of current and new subsidiaries, negative operating results (EBIT) are expected in the area New Businesses & Investments for 2016.

Rocket Internet does not plan dilutive capital increases in the next three years at the Group level. Moreover, no significant M&A transactions are planned for 2016.

Rocket Internet SE expects revenues to remain stable or to slightly decrease due to the increased individual independence of the network companies. Through the provision of essential administrative company functions and the recognition of expenses from share-based payment plans in the income statement we expect a negative result (EBIT) in the annual financial statements of Rocket Internet SE for the reporting year 2016 provided there are no material divestments of participations.

The earnings position of the Company and the Group can vary substantially from year to year, due to dilution or in some cases as a result of sale of participations.

The earnings position of the Group can also be subject to high volatility due to the results from deconsolidation (change in status of previously consolidated entities to associated companies). As a result of the strategy change after the IPO, whereby Rocket Internet SE aims to keep a larger share of the economic ownership in most of the new companies, a reduction of income from deconsolidation is forecast.

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

From the current perspective, the above forecasts were confirmed for the months following the 2015 financial year. Sales figures in the first months of 2016 of the entities consolidated as of December 31, 2015 are above those of the comparative period of 2015.

4.2 Risk Report

4.2.1 Risk Management System

The Internet sector is still one of the fastest growing sectors of the economy. This offers generally good opportunities for companies which can establish themselves at an early stage and with promising business models in new geographic locations. At the same time, the rapid pace of developments in the Internet sector entails risks.

4.2.2 Risks

Companies with business models that include founding, financing and investing in young companies in the Internet sector take deliberate entrepreneurial risks.

Rocket Internet Group is primarily exposed to operational, investment and valuation risks. These risks are related to the success potential of the businesses models of the network of companies as well as to the intense competition in the area of online business by other incubators and founders. With regard to the fast-paced nature of the Internet, the future value of investments can also change as a result of external factors such as the introduction of innovative competitor products and services, changes in user behavior (market trends) or the general regulatory conditions.

Moreover, the worldwide expansion particularly into a large number of emerging markets increases the exposure to political, economic, legal as well as other risks and uncertainties. In this context, there is also the risk of target markets and their development deviating from pre-entry expectations.

Historical operational data is available only to a limited extent for many of our network companies. Furthermore, the network companies generate losses and negative cash flows from operating activities. It cannot be ruled out that those network companies will not be able to generate profits or positive cash flows from operating activities in the future. This could have a negative impact on our business development and on Rocket Internet's earnings, asset and financial position.

Rocket Internet Group attempts to minimize such risks through close management and monitoring of the company network. The opportunities and risks of a new company incubation are evaluated carefully prior to each financing or investment decision. After a company is founded, the business development of each company is monitored on a regular basis in short intervals by means of key performance indicators (KPIs) and financial data. If a business shows an unfavorable development indicating that the long term viability of such model is in danger, Rocket Internet - when it comes to associated companies and joint ventures in coordination with co-investors - adjusts the strategic orientation and the operational implementation. In the worst case, discontinuation decisions can be taken in order to prevent further losses. Required value adjustments are recorded at an early stage to maintain a conservative business view of the asset position at all times.

The financing of new companies by several co-investors permits the distribution of risks across several parties.

Moreover, the Company also systematically ensures risk diversification by starting and financing businesses in different operative business fields and geographic areas.

Due to the predominant equity financing via public markets, the Group is directly affected by developments and risks relevant to capital markets. Founding, investing and financing of a company depend on its own financing capability to a particularly high extent, which increases capital procurement risks. The Group has to rely on the financing capability of its existing and future shareholders and their willingness to invest in the event of a further expansion of the network of companies.

The great number of contractual relationships and agreements concluded by the Group on a regular basis give rise to legal risks. This refers especially to legal risks in corporate law, intellectual property law as well as competition and antitrust law in connection with corporate reorganizations. These risks are minimized through mandating renowned corporate and tax law firms. A system of contract templates is in place for standard agreements. In addition, specialized law firms are also increasingly engaged at the level of the company network often located outside Europe, with a view to minimizing the risks resulting from legal uncertainty and capital recoverability. However, because of outsourcing, dependencies on the corporate and tax law firms can occur, which can be reduced by the assignment of engagements to multiple professional firms.

Risks exist for Rocket Internet Group regarding the availability of the utilized IT systems as well as the confidentiality and integrity of data. The outage of IT systems can lead to disturbances of business operations, but it can also have a reputational impact. The confidentiality and security of customer-related data and transactions are considered especially important. The main causes, complexity of systems as well as external attacks, are mitigated by constant monitoring of all systems as well as the improvement of processes and security measures by a special IT Security team.

With respect to recruitment, Rocket Internet Group is active in a highly specialized market. In this context, Berlin is increasingly becoming an established location for Internet and venture capital companies, which leads to increased competition for specialized management staff and functional experts. This personnel-related risk is addressed through personnel retention measures and recruiting measures.

In the area of eCommerce, a disadvantageous private consumption environment could lead to risks from loss of revenue and the associated risk of increased merchandise inventories. Risks from the operative business in the area of eCommerce relate mainly to the purchasing and logistics functions.

Reliable and fast delivery of fault-free merchandise is a crucial competitive factor. Delivery delays and quality defects would have a direct adverse impact on customer trust and would lead to image damage. Like all eCommerce companies, Rocket Internet Group is also strongly dependent on the functionality and stability of its various websites. Disturbances, downtime or unauthorized access and attacks would immediately lead to revenue losses. Another risk for the Group relates to customer payment patterns and receivables default risk.

Companies operating online and mobile marketplaces could become the subject of allegations and legal proceedings, with respect to the content of their webpages or accusations that their webpages were pirated, counterfeited or illegal.

For companies offering payment solutions as well as the intermediation of loans, the main risks are the currently existing and continuously increasing strict legal and regulatory frameworks and regulation by national and supranational institutions. Risks are inherent particularly in the application and interpretation of these regulations with respect to our specific peer-to-peer business models and potentially resulting claims for damages or penalty payments.

Furthermore, Rocket Internet Group as a whole could become subject to legal proceedings that could disturb or damage business operations.

Please also refer to the statements in section “2.7 Financial and Non-Financial Performance Indicators“ and section “5 Risk Report Concerning the Use of Financial Instruments“.

In summary, it should be noted that the Group performs systematic and regular analyses of the business risks on the basis of qualified early risk detection systems and minimizes the risks through deliberate measures such as risk prevention, limitation of risks, risk diversification and risk insurance. As a result, the continued existence of the Company as a going concern is not jeopardized even in the event of simultaneous occurrence of several risk events.

4.3 Opportunities Report

The Group is very well established in the industry. As a result, it has ample opportunities to make use of innovations and trends in the Internet market within a short time frame through the creation of new businesses. Rocket Internet’s core competencies include, in particular, the pursuit of new digital business models and trends and the early identification of new markets. The implementation of new business models is carried out using the unique platform approach which Rocket Internet developed.

To this end, the Group can rely on a highly qualified workforce. The members of the experienced and dedicated management team have a trained eye for assessing ideas and opportunities in the market with regard to their feasibility and profitability.

As soon as a viable idea is identified, Rocket Internet has the necessary infrastructure and staff to enable a quick implementation of the idea. This includes very efficient group-wide competence centers such as the marketing unit with its CRM (Customer Relationship Management), SEO (Search Engine Optimization) and SEA (Search Engine Advertising) teams. These competence centers support new as well as already existing network companies.

Strong and internationally leading technology partners such as Google, Facebook, Responsys, Sociomantic and Criteo enable Rocket Internet Group to utilize external technologies benefitting from superior terms relative to competitors, which are achieved through bundling service agreements across the Group.

Another success factor is the Group’s own core technology developed for different business models like eCommerce, Marketplaces and Financial Technology, which enables Rocket Internet Group to reliably set up several companies in parallel and within a very short time frame. These software solutions can be adapted flexibly to the requirements of the respective company and are very scalable.

Furthermore, Rocket Internet has standardized the process of building companies. The goal is to generate the first sales within 100 days from the decision of establishing the business model.

The parallel development of various business models also enables synergies through the exchange of information, knowledge and best-in-class solutions. The internationality of the Group and the staff structure offer the opportunity to access and understand the most diverse international markets quickly. As a consequence, Rocket Internet Group can promote one of its key strategies: the initial tapping of new and undersupplied markets and markets that have not yet been explored by competitors, in particular in Africa, Asia, Middle East and Latin America, but also in Europe.

The existing capitalization and access to investors as well as the existing strategic partnerships enable Rocket Internet Group to establish and finance new companies internationally and over longer periods. Moreover, the Group can generate economies of scope and scale as a result of its parallel international rollouts and its presence on six continents including many complex emerging markets.

5. Risk Report Concerning the Use of Financial Instruments

The major financial instruments of Rocket Internet Group are cash (35% of total assets; previous year 52%), equity investments in available for sale financial assets (20% of total assets; previous year 0%), equity instruments at fair value through profit or loss (FVTPL) (6% of total assets; previous year 9%) and other non-current financial assets (<1% of total assets; previous year <1%), as well as liabilities from convertible bonds (10% of total assets; previous year 0%). The Group also records trade receivables and liabilities as well as loan receivables and liabilities mainly from associated companies and joint ventures, which arise in the ordinary course of business.

The major financial instruments in the annual financial statements prepared in accordance with German GAAP (HGB) of Rocket Internet SE are cash (50% of the total assets, previous year 86%), investments in subsidiaries (34% of total assets, previous year 3%), participations (12% of total assets, previous year 8%), as well as the liabilities from convertible bonds (16% of total assets, previous year 0%). The following statements disclosed for the consolidated financial statement apply for the annual financial statements of the parent company.

The Group's risks arising from existing financial instruments relate to the financial risks which comprise market risk (including currency risk, interest rate risk and other price risk), risk of default (credit risk), liquidity risk and share price risk. The primary objective of the financial risk management is to establish risk limits, and ensure that exposure to risks stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures, in order to minimize operational and legal risks.

The Group places available funds in current accounts seeking to ensure both liquidity and security of principal. The Group's policy does not permit any trading with financial instruments. Accordingly, no financial derivatives are utilized. Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in market interest rates. The Group enters in principal only into fixed-rate instruments. The Group does not account for fixed-rate financial instruments at fair value through profit or loss except for employee loans that are designated at fair value through profit or loss. A reasonably possible change in the interest rates does not have a material effect on profit or loss from fair value changes of these instruments.

The risk associated with financial assets is controlled through a sophisticated system of operational monitoring. This applies, in particular, to the equity holdings of Rocket Internet Group, which are accounted for either as available for sale financial assets or at fair value through profit or loss. The Group is exposed to financial risks in respect of share prices, meaning the risk of changes in the value of the shareholdings. Rocket Internet's operations include management of shareholdings measured at fair value comprising considerable investments in a small number of unlisted companies. Accordingly, Rocket Internet's financial position and results are dependent on how well these companies develop. The concentration of the shareholdings leads to a risk that it is more difficult for Rocket Internet to make major changes in the composition of the shareholdings in a limited time. Rocket Internet's strategy is also to be a long-term shareholder. Therefore, there is no strategy for managing short-term fluctuations in share prices. For details concerning share price risk please refer to Note 41 in the Notes to the Consolidated Financial Statements.

Risk management is carried out by a central treasury department under control of the Management Board. The Management Board provides principles for overall risk management, as well as policies covering specific areas, such as currency risk and interest rate risk and investment of excess liquidity. Detailed information concerning risk of default, liquidity risk and currency risk is given in the following paragraphs.

5.1 Risk of Default (Credit Risk)

The risk of default is defined as the risk that our business partners do not meet their contractual payment obligations and this leads to a loss for Rocket Internet Group. The risk of default comprises the direct risk of a default and the decrease in the credit worthiness as well as the concentration of default risks.

The risk of default exists for all financial assets in particular for deposits, receivables from associates and trade receivables. The Group's receivables are unsecured. Therefore, the maximum risk of default corresponds to the book value of the financial assets that are subject to this risk.

The investment of liquidity that is not needed for operational purposes is carried out according to criteria defined as per Group policy. Rocket Internet Group, in general, only maintains business relationships with banks of outstanding credit rating. Diversification is another means to minimize risk. The credit worthiness is constantly monitored by the Group. The investment of term deposits takes place with banks that are members of the respective bank deposit protection funds and that are rated with minimum investment grade rating BBB- (S&P) and Baa3 (Moody's), respectively. Interest rate management focuses on optimized distribution of cash between different banks in order to avoid negative deposit rates.

The control and mitigation of default risk of receivables from associates is carried out by the investment control function. Trade receivables mainly relate to the Group's eCommerce activities. In this area, default risk is mitigated through a careful review of customer credit ratings in the course of the online order process. In the event of deterioration in the payment habits or in case of other factors that indicate a requirement for impairment, the receivables management function either initiates measures aimed at the collection of the outstanding customer payments or at the return of the delivered merchandise. Customers' credit rating is monitored on a continuous basis. The concentration of default risks is limited because of the broad and heterogeneous structure of the customer base.

Any customer default risks that are identified, e.g. in the case of discontinued payments, are taken into account through appropriate value adjustments.

5.2 Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to daily calls on its available cash resources. Liquidity risk is managed by the management of the Company. The Management Board monitors monthly rolling forecasts of the Company's cash flows.

The Group's capital requirements relate, inter alia, to the financing of new and existing companies and the current capital requirements of the Group's operative business. Rocket Internet Group monitors the risk of liquidity shortages (liquidity risk) on a continuous basis through cash budgets and reforecasts taking into consideration the maturities of financial investments and financial assets (e.g. receivables and other financial assets) as well as expected cash flows from operating activities. In addition to cash and cash equivalents and income from the sale of financial assets, future cash flows from operating activities represent another source of liquidity.

The liquidity balance and compliance with cash budgets are controlled at regular intervals. In the process, the development of liquidity balances and important movement factors are communicated and discussed internally.

5.3 Currency Risk

The Group is exposed to currency risks due to its international business activities outside of the Eurozone. Changes in exchange rates can therefore have an adverse impact on the consolidated financial statements. The individual foreign currency transactions are not hedged since they are generally of a short-term nature. To the extent possible and feasible, hedging is not performed by way of financial engineering measures but rather through the structuring of existing economic conditions ("natural hedging"). Effects of exchange rate fluctuations resulting from the translation of net asset positions into the reporting currency are recognized in equity in the consolidated financial statements. Foreign exchange differences that result from exchange rate changes when translating balance sheet items in foreign currency are recognized in the income statement under other operating expenses or income.

Berlin, March 31, 2016

Oliver Samwer Peter Kimpel Alexander Kudlich

The translation of this audit opinion states as follows:

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the combined management report of Rocket Internet SE, Berlin for the fiscal year from 1 January to 31 December 2015. The maintenance of the books and records and the preparation of the annual financial statements and combined management report for the company and the group in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the combined management report for the company and the group based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the combined management report for the company and the group are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the combined management report for the company and the group are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and combined management report for the company and the group. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The combined management report for the company and the group is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks relating to future development.

Berlin, 31 March 2016

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Wirtschaftsprüfungsgesellschaft

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