Prospectus

for the admission to trading in
Germany and Luxembourg

of

165,140,790 ordinary bearer shares with no par value (*Stückaktien*)

on the

regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange

and simultaneously
on the
regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*)

– each such share with no par value and a notional value of €1.00
and full dividend rights as of January 1, 2016 –

of

Rocket Internet SE

Berlin

German Securities Identification Number (WKN): A12UKK
International Securities Identification Number (ISIN): DE000A12UKK6
Ticker Symbol: RKET

Prospectus dated September 23, 2016

Listing Agent

Berenberg

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I. SUMMARY OF THE PROSPECTUS

*Summaries are made up of disclosure requirements known as elements (“**Elements**”). These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words “not applicable”.*

A – Introduction and Warnings

A.1	**Warnings.**	This summary should be read as an introduction to this prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating the prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area. Rocket Internet SE, Berlin, Germany (“**Rocket Internet SE**” and, together with the legal entities that are fully consolidated in Rocket Internet SE’s consolidated financial statements, “**we**”, “**us**”, “**our**”, “**Rocket Internet**” or the “**Group**”), together with Joh. Berenberg, Gossler & Co. KG, Hamburg, Germany (“**Berenberg**”), have assumed responsibility for the content of this summary and its German translation pursuant to Section 5 para. 2b no. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*). Those persons who are responsible for the summary, including any translation thereof, or who have caused its issuing (*von denen der Erlass ausgeht*), can be held liable but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this prospectus or if it does not provide, when read together with the other parts of this prospectus, all necessary key information.
A.2	**Information regarding the subsequent use of the prospectus.**	Not applicable. Consent regarding the use of the prospectus for a subsequent resale or placement of the shares has not been granted.

B – Issuer

B.1	**Legal and commercial name.**	Rocket Internet SE’s legal name is Rocket Internet SE. It primarily operates under the commercial name “Rocket Internet”.
B.2	**Domicile, legal form, legislation under which the issuer operates, country of incorporation.**	Rocket Internet SE has its registered office at Charlottenstraße 4, 10969 Berlin, Germany, and is registered with the commercial register of the local court (*Amtsgericht*) of Charlottenburg, Berlin, Germany, under the docket number HRB 165662 B. Rocket Internet SE is a European company (*Societas Europaea* (SE)) incorporated in Germany and governed by German law.

B.3	**Current operations and principal business activities and principal markets in which the issuer competes.**	We build and invest in internet companies that take proven online business models to new, underserved or untapped markets, where we seek to grow and scale the new companies. Our flexible and scalable operating platform uses standardized processes for business model identification and provides standardized solutions for a range of internet business models. We currently focus on five industry sectors that address basic consumer needs: Food & Groceries, Fashion, General Merchandise, Home & Living and Travel. We seek to reduce our risk by relying on already proven business models and bringing in external financing as we position our new companies for growth. Besides founding new companies ourselves, we invest in existing companies by either participating in a financing round or purchasing stakes through secondary transactions. These investments are geared toward long-term commitments, where we seek to create value in the long-term by developing the business. We implement our business strategy through our close involvement in the day-to-day management of many network companies and our hands-on participation in their operational development. We strive to provide these network companies with guidance to develop their operations and we seek to accelerate their operational development by giving them access to our technology platform and by sharing our proprietary knowledge with them. We seek to exploit network effects and synergies across our platform and network of companies. With network companies already present in many of our target markets, we tend to benefit from local experience and lower marginal costs for building additional companies. We have established local ecosystems, *i.e.*, internet know-how and local operations and logistics know-how, particularly in the fields of marketing, warehousing, content production, sales, last mile delivery, payment and customer care, that can be utilized by the companies in the Rocket Internet network. Furthermore, our local professionals support the scaling of the network companies and help to identify new opportunities. In addition, we have partnerships with regional and global companies that give us access to their existing infrastructure, relationships and skills. We have developed proprietary technology that provides the companies in the Rocket Internet network with standardized solutions for a range of internet business models. Our modular framework is built to serve the needs of our businesses as it can be adapted to the specific requirements of individual companies and different markets. While stand-alone companies have to develop their technology from scratch, the companies in the Rocket Internet network have access to a flexible and field tested framework, which allows our entrepreneurs to focus on their core business models. As part of our global strategy, we have created regional internet groups ("**Regional Internet Groups**") in Africa, Middle East and Asia Pacific in order to bundle local market expertise, facilitate regional commercial partnerships, enable local presence, sourcing and recruiting, and support the rollout of businesses in the respective regions. Strategic and investment partnerships, in particular with mobile telecommunication providers, accelerate the regional rollout of our businesses. Our partners such as Mobile Telephone Networks Holdings (Pty) Limited (MTN), Ooredoo Q.S.C. (Ooredoo), Millicom

International Cellular S.A. (Millicom), Orange S.A. (Orange) and AXA Africa Holding S.A.S. (AXA) are co-investors in our Regional Internet Groups and provide them with strategic support and opportunities to realize synergies.

Rocket Internet SE typically owns a direct or indirect stake of 80% to 90% in the companies within the Rocket Internet network at the time of launch, with the remainder being set aside for management equity participation programs. The companies in the Rocket Internet network typically have negative operating cash flows and require substantial funding to grow their business. We seek to attract external equity financing for the companies in the Rocket Internet network from our local strategic partners and other strategic and financial investors. These investments are either made directly into the company or indirectly into a Regional Internet Group acting as intermediate holding company. Historically, this meant that the direct and indirect stake of Rocket Internet SE in a company decreased over time to less than 50% as the company grew and matured. Accordingly, Rocket Internet SE does not directly or indirectly control most of the companies in the Rocket Internet network. We will often have a low ranking claim in the distribution of proceeds from an exit due to liquidation preferences of other investors or other preferred return arrangements, which means that in some cases we may not receive any proceeds from an exit at all. In January 2016, Rocket Internet Capital Partners (Rocket Internet Capital Partners SCS and Rocket Internet Capital Partners (Euro) SCS and, collectively, "**RICP**") was launched. RICP can invest into companies launched by us and companies started by third parties.

The revenue of the network companies that Rocket Internet SE does not directly or indirectly control are not reflected in Rocket Internet SE's consolidated statement of comprehensive income. The Group's revenue was €128.3 million in 2015, its loss for the period was €197.8 million in 2015 and its total assets were €4,996.0 million as of December 31, 2015. The loss for the period includes the Group's share of the loss of associates and joint ventures of €188.6 million in 2015. The total aggregate loss of our material associates and loss from continuing operations of our material joint ventures as presented in accordance with IFRS 12 in the notes to Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015 was €1.4 billion in 2015.

In the six months ended June 30, 2016, the Group's revenue was €28.6 million. The Group's loss for the period deteriorated sharply from a loss of €43.9 million in the six months ended June 30, 2015 to a loss of €617.3 million in the six months ended June 30, 2016, mainly due to an impairment-driven decrease in the share of profit/loss of associates and joint ventures, a decrease in the financial result and a decrease in revenue. The decrease in the share of profit/loss of associates and joint ventures was primarily related to Global Fashion Group (as defined under B.5), where a financing round that took place at a lower valuation than the preceding financing round resulted in significant impairments. It cannot be excluded that other financing rounds at lower valuations will result in further significant impairments and losses. The Group's total assets were €4,307.3 million as of June 30, 2016.

Strategy

The key elements of our current strategy include:

Build Leading Companies in Focus Industry Sectors Through Selective Investments and Organic Growth.

We are currently targeting five industry sectors: Food & Groceries, Fashion, General Merchandise, Home & Living, and Travel. These industry sectors make up a significant share of consumer spending, and through a multitude of different business models targeting them, we seek to maximize our share of the consumer's online and mobile retail and services wallet. One of our major focus areas is the Food & Groceries sector, which we view as one of the next growth areas of e-commerce. We are expanding our position within the sector through selective investments. Following Rocket Internet SE's initial public offering, the Group increased its stakes in HelloFresh AG ("**HelloFresh**") to 55.6% and in Emerging Markets Online Food Delivery Holding S.à r.l. ("**foodpanda**") to 49.1% and acquired a 37.3% stake in Delivery Hero (as defined in B.5). In addition, Rocket Internet SE further invested in the Fashion, Home & Living and General Merchandise sectors by investing in the Global Fashion Group (as defined in B.5), Westwing (as defined in B.5) and Africa Internet Holding GmbH in 2016.

Pursue Sustainable Market Positions.

We aim to achieve sustainable market positions in the markets and sectors we enter. In order to gain a strong market position and in pursuit of our goal of long-term value creation, we invest in the product portfolio, technology, infrastructure and logistics capabilities in the early stages of a business model despite their losses.

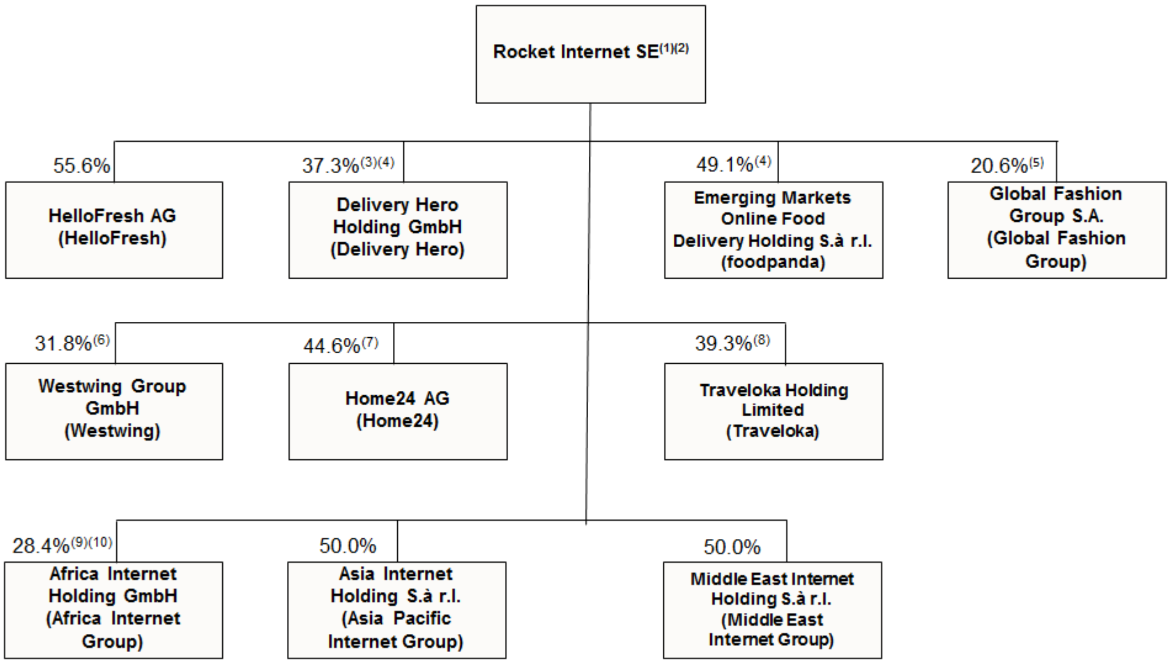
Maintain a Strong Financial Position and Access to Funding to Support Our Network Companies' Operational Strategies.

Rocket Internet provides companies with the financial means to start up, develop and grow their operations. As capital is a key component in growing companies, we aim to maintain a strong financial position as well as access to funding. We typically fund the network companies through a mix of our own and third-party capital. To bolster our financial position, we have successfully undertaken several measures and raised additional capital. In October 2014, Rocket Internet SE completed its initial public offering, raising gross proceeds for Rocket Internet SE of €1.4 billion. In February 2015, Rocket Internet SE issued 12 million ordinary bearer shares, realizing gross proceeds of €588.5 million. In July 2015, Rocket Internet SE issued a convertible bond with an aggregate principal amount of €550.0 million, of which the Group repurchased convertible bonds with an aggregate principal amount of €83.7 million in the six months ended June 30, 2016. In addition, in January 2016, RICP was set up. RICP raises capital from investors globally and co-invests alongside us, enabling the network companies to significantly enhance their speed of fundraising. RICP's and our interests are aligned, as RICP, pursuant to the partnership agreement, co-invests with us according to a set co-investment ratio (80% RICP: 20% Rocket Internet) and as Rocket Internet SE made investments into RICP by agreeing to subscribe for 10% of the total commitments received by RICP from time to time. We participate in the economic development of RICP through investment return on our commitments and a share in RICP's net profit.

B.4a	**Most significant recent trends affecting the issuer and the industry in which it operates.**	We have developed our strategy based on five major trends that we believe drive growth in our key emerging markets: • Internet penetration in emerging markets is low but growing quickly, which means demand for online and mobile services that meet basic needs is expected to increase in these markets. • The smartphone revolution is giving ever more people internet access, presenting an opportunity for online retailers to exploit new demand around the world. • The population in many of our markets is younger than that in the United States, which increases the scope for online business models outside the US. • The middle class in many emerging market economies is expected to grow strongly, which we expect to increase discretionary consumer spending. • Classic "bricks-and-mortar" retailing in many of our target markets is underdeveloped, which is expected to allow online retailers to capture more consumers.

B.5 Description of the group and the issuer's position within the group.

The following diagram sets forth a summary (in simplified form) of Rocket Internet SE's significant participations as of August 31, 2016 taking into account the relevant direct and indirect beneficial interests (*durchgerechneter Beteiligungsanteil*). The shareholdings presented also include shareholdings of affiliated companies pursuant to Sections 15 *et seq.* of the German Stock Corporation Act. Other than as disclosed in the footnotes to the following diagram, there were no changes in the Rocket Internet SE's relevant direct and indirect beneficial interests (*durchgerechneter Beteiligungsanteil*) until the date of this prospectus.



(*Source: Information of Rocket Internet SE*)

(1) Ownership stakes are shown on a non-fully diluted basis (unless stated otherwise). Direct and indirect stakes as of August 31, 2016.

(2) The participation quotas shown may differ compared to respective figures shown in the mandatory part of Rocket Internet SE's annual report 2014 and 2015 or other financial statements, reports or notes of Rocket Internet SE for reasons other than additional financing rounds (*i.e.*, reflection of different points in time). Such non-timing differences can be due to a number of reasons, such as the consideration of unallocated trust shares, which have for accounting purposes been allocated to the Group, the elimination of treasury shares when calculating ownership interests for accounting purposes as well as agreements in which signing and closing do not occur simultaneously.

(3) The stake in Delivery Hero Holding GmbH (together with the legal entities in which it holds a direct or indirect stake "**Delivery Hero**") is shown on a fully diluted basis.

(4) Delivery Hero Holding GmbH and Emerging Markets Online Food Delivery Holding S.à r.l. are held through Global Online Takeaway Group S.A., of which Rocket Internet SE directly holds 100% of the equity.

(5) Shows direct and indirect stake of Rocket Internet SE (beneficial interest including RICP) in Global Fashion Group S.A. (together with its subsidiaries, the "**Global Fashion Group**"). Following completion of last management roll-over steps agreed in the context of creation of the Global Fashion Group, Rocket Internet's direct and indirect stake after the transaction will decrease to 20.4% (beneficial interest including RICP).

(6) Westwing Group GmbH ("**Westwing**") is held indirectly through Jade 1317. GmbH ("**Westwing SPV**") (24.8%) and directly (7.0%). Rocket Internet SE holds a direct stake of 100% in Westwing SPV.

(7) "**Home24**" refers to Home24 AG (formerly Home24 GmbH) together with the legal entities in which it holds a direct or indirect stake and that operate under the Home24 and Mobly brands. In September 2016, Home24 raised €20 million in a financing round. As a result, Rocket Internet SE's direct and indirect stake in Home24 amounts to 42.9% (beneficial interest including RICP).

(8) The shares in Traveloka Holding Limited are held indirectly by Rocket Internet SE through Bambino 106. V V UG (haftungsbeschränkt), in which Rocket Internet SE has a 100% stake.

(9) Africa Internet Holding GmbH is held through AEH New Africa eCommerce I GmbH, RICP and directly (21.7%). AEH New Africa eCommerce II GmbH is the sole shareholder of AEH New Africa eCommerce I GmbH. Rocket Internet SE holds a direct stake of 71.2% in AEH New Africa eCommerce II GmbH. AEH New Africa eCommerce I GmbH in turn holds 8.9% in Africa Internet Holding GmbH.

(10) In August 2016, Africa eCommerce Holding GmbH, the holding company of Jumia, was merged into Africa Internet Holding GmbH.

B.6 Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital and voting rights.

The following table sets forth the principal indirect and direct shareholders of Rocket Internet SE based on the best knowledge of Rocket Internet SE:

Indirect Shareholder	**Direct Shareholder**	**Beneficial (Indirect) Ownership of Rocket Internet SE (in %)**
Zerena GmbH	Global Founders GmbH	37.1[1]
Verdere S.à r.l.	Kinnevik Internet Lux S.à r.l.[2]	13.2
United Internet AG	United Internet Ventures AG	8.3
–	Scottish Mortgage Investment Trust Plc[3].	6.8
Philippine Long Distance Telephone Company	PLDT Online Investments PTE. LTD.	6.1
Len Blavatnik	AI European Holdings S.à r.l.	6.0
Other shareholders/Public free float[4]		22.5
Total		**100.00**

(1) The shareholdings of Global Founders GmbH are attributed to its controlling shareholder Rocata GmbH and to Rocata GmbH's controlling shareholder Zerena GmbH. As a shareholder of Zerena GmbH, Oliver Samwer Familienstiftung indirectly holds the Rocket Internet SE shares previously held by Oliver Samwer through Global Founders GmbH.

(2) Kinnevik Internet Lux S.à r.l. is a subsidiary of Investment AB Kinnevik. Verdere S.à r.l. is the largest shareholder of Investment AB Kinnevik in terms of voting rights.

(3) Scottish Mortgage Investment Trust Plc is an investment trust managed by Baillie Gifford & Co.

(4) Other shareholders/Public free float refer to shareholdings with less than three percent in Rocket Internet SE. This figure includes aggregate shareholdings in Rocket Internet SE of approximately 1.0% which are held by Marc, Oliver and Alexander Samwer through MOAS GmbH & Co. KG, MOAS Nr. 2 GmbH & Co. KG and MOAS Nr. 3 GmbH & Co. KG.

Different voting rights, if any, of the issuer's major shareholders.

Not applicable. Each share in Rocket Internet SE carries one vote at Rocket Internet SE's shareholders' meeting.

Direct or indirect control over the issuer and nature of such control.

Rocket Internet SE is directly controlled by Global Founders GmbH ("**Global Founders**"), which holds 37.1% of the voting rights in Rocket Internet SE. Global Founders is directly controlled by Rocata GmbH, which in turn is directly controlled by Zerena GmbH.

B.7 Selected key historical financial information.

The financial information contained in the following discussion is taken or derived from the audited consolidated financial statements of Rocket Internet SE as of and for the years ended December 31, 2014 and December 31, 2015 and the unaudited interim condensed consolidated financial statements of Rocket Internet SE as of and for the six months ended June 30, 2016 and the Group's accounting or controlling records, or has been calculated on the basis of figures taken from the above-mentioned sources, unless otherwise indicated. The financial information as of and for the year ended December 31, 2013 is taken or derived from comparative financial information as of and for the year ended December 31, 2013 of the audited consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2014. The consolidated financial statements of Rocket

Internet SE as of and for the year ended December 31, 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**"). The consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2015 have been prepared in accordance with IFRS and the additional requirements of Section 315a para. 1 of the German Commercial Code (*Handelsgesetzbuch*). The unaudited interim condensed consolidated financial statements of Rocket Internet SE as of and for the six months ended June 30, 2016 have been prepared in accordance with IFRS for interim financial reporting (IAS 34).

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin office, Germany, has audited the consolidated financial statements as of and for the years ended December 31, 2014 and December 31, 2015 and the unconsolidated annual financial statements as of and for the year ended December 31, 2015 and issued an unqualified auditor's report or audit opinion on each thereon. These financial statements and the auditor's report or audit opinions thereon are included in this prospectus.

Where financial information in the following tables is labelled "audited", this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited financial statements mentioned above but was taken either from the unaudited interim condensed consolidated financial statements mentioned above or the Group's accounting or controlling records, or has been calculated on the basis of figures taken from the above-mentioned sources, unless otherwise indicated. All of the financial information presented in the text and tables below are shown in millions of euro (in € million), except as otherwise stated. Certain financial information in the text and in the tables (including percentages) in this prospectus has been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) may not correspond in all cases to the corresponding rounded amounts contained in the following text and tables. Furthermore, in the following tables, these rounded figures may not add up exactly to the totals contained in the respective tables and charts. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal place unless stated otherwise. Financial information presented in parentheses denotes the presented number is a negative number, unless stated otherwise. In respect of financial information set out in this summary, a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to or equals zero.

Consolidated Statement of Comprehensive Income

	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited) (in € million, unless stated otherwise)			(unaudited) (in € million, unless stated otherwise)	
Income Statement					
Revenue	99.8	128.2	128.3	71.3	28.6
Changes in work in progress	(1.2)	0.2	–	0.5	–
Internally produced and capitalized assets	2.5	2.9	5.7	2.6	2.3
Other operating income	1.3	4.2	5.0	3.4	0.4
Result from deconsolidation of subsidiaries	(0.0)	452.6	167.0	15.7	30.4
Gain from distribution of non-cash assets to owners[1]	–	60.6	–	–	–
Purchased merchandise and purchased services[2]	(62.2)	(69.8)	(64.1)	(35.5)	(11.6)
Employee benefits expenses	(103.1)	(141.9)	(171.7)	(92.6)	(12.3)
Other operating expenses	(68.1)	(87.7)	(82.5)	(42.4)	(29.1)
Share of profit/loss of associates and joint ventures	1,449.0	75.1	(188.6)	(8.1)	(470.1)
EBITDA	**1,317.8**	**424.4**	**(200.8)**	**(85.0)**	**(461.4)**
Depreciation and amortization	(2.2)	(2.7)	(7.3)	(3.1)	(2.1)
Impairment of non-current assets	–	–	(18.1)	–	–
EBIT	**1,315.7**	**421.8**	**(226.1)**	**(88.0)**	**(463.5)**
Financial result	**91.8**	**12.0**	**29.7**	**44.8**	**(157.1)**
Finance costs	(0.9)	(16.5)	(65.4)	(15.6)	(196.1)
Finance income	92.7	28.5	95.1	60.4	39.0
(Loss)/profit before tax	**1,407.4**	**433.8**	**(196.4)**	**(43.2)**	**(620.5)**
Income taxes	(11.9)	(5.0)	(1.4)	(0.7)	3.3
(Loss)/profit for the period	**1,395.6**	**428.8**	**(197.8)**	**(43.9)**	**(617.3)**
(Profit)/loss attributable to non-controlling interests	36.3	34.2	(4.7)	10.4	34.7
(Loss)/profit attributable to equity holders of the parent	1,431.9	463.0	(202.5)	(33.5)	(582.6)
Earnings per share (in €)	11.93	3.24	(1.24)	(0.21)	(3.53)
Statement of comprehensive income					
(Loss)/profit for the period	**1,395.6**	**428.8**	**(197.8)**	**(43.9)**	**(617.3)**
Exchange differences on translation of foreign operations	0.8	(0.5)	(1.1)	0.6	0.5
Net gain on available-for-sale (AFS) financial assets	–	–	135.3	146.3	0.4
Deferred taxes on net gain on available-for-sale (AFS) financial assets	–	–	(0.2)	–	0.0
Share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	8.3	80.2	(99.0)	11.2	17.8
Deferred taxes on share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	(0.1)	(1.2)	1.4	(0.1)	(0.3)

	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
Other changes in OCI	0.3	(0.3)	–	–	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	9.2	78.2	36.4	157.9	18.4
Other comprehensive income for the period, net of tax	9.2	78.2	36.4	157.9	18.4
Total comprehensive (loss)/income for the period, net of tax	**1,404.8**	**507.0**	**(161.4)**	**114.0**	**(598.8)**
Total comprehensive loss/income attributable to:					
Equity holders of the parent	1,440.6	541.5	(165.7)	123.9	(566.1)
Non-controlling interests	(35.8)	(34.5)	4.4	(9.9)	(32.8)

(1) On May 30, 2014, the then existing shareholders of Rocket Internet SE approved a dividend in kind to certain shareholders. Upon distribution of non-cash assets, the difference between the carrying amount of the dividend payable (measured at fair value of the assets distributed) and the carrying amount of the non-cash assets distributed was recognized in the consolidated statement of comprehensive income through profit or loss.

(2) Shown as purchased merchandise, raw materials and consumables used in the consolidated financial statements as of and for the year ended December 31, 2014.

Consolidated Balance Sheet

	As of December 31,			As of June 30,
	2013	2014	2015	2016
		(audited)		(unaudited)
		(in € million)		(in € million)
Property, plant and equipment	2.4	3.1	2.8	2.7
Intangible assets	6.6	9.0	129.1	11.9
Investments in associates and joint ventures	681.4	1,450.8	1,696.4	1,043.6
Non-current financial assets	68.4	338.5	1,333.2	1,218.2
Other non-current non-financial assets	0.0	4.2	0.5	0.6
Income tax assets	0.1	0.1	0.2	0.0
Deferred tax assets	0.1	0.0	–	–
Non-current assets	**758.9**	**1,805.8**	**3,162.2**	**2,277.1**
Inventories	7.4	11.2	0.7	1.3
Trade receivables	5.7	20.7	10.1	7.6
Other current financial assets	20.7	15.1	41.3	172.6
Other current non-financial assets	3.2	8.0	5.2	4.0
Income tax assets	0.9	1.0	0.5	0.5
Cash and cash equivalents	413.9	2,053.4	1,758.9	1,682.5
Current assets	**451.8**	**2,109.5**	**1,816.7**	**1,868.5**
Assets classified as held for sale	46.3	3.9	17.1	161.8
Total assets	**1,257.0**	**3,919.1**	**4,996.0**	**4,307.3**
Subscribed capital	0.1	153.1	165.1	165.1
Capital reserves	490.7	2,482.6	3,105.5	3,100.1
Treasury shares	(0.0)	–	–	–
Retained earnings	604.2	1,014.8	883.9	309.9
Other components of equity	8.6	87.1	123.8	140.4
Equity attributable to equity holders of the parent	**1,103.6**	**3,737.7**	**4,278.4**	**3,715.5**
Non-controlling interests	12.8	34.2	73.7	40.7
Total equity	**1,116.3**	**3,771.9**	**4,352.1**	**3,756.2**
Non-current financial liabilities	1.1	5.3	526.9	436.2
Other non-current non-financial liabilities	0.0	0.5	0.4	1.1
Income tax liabilities	–	0.0	–	–

	As of December 31,			As of June 30,
	2013	2014	2015	2016
		(audited)		(unaudited)
		(in € million)		(in € million)
Deferred tax liabilities	3.5	3.6	8.2	4.2
Non-current liabilities	**4.7**	**9.5**	**535.5**	**441.5**
Trade payables	23.3	43.7	11.4	11.9
Other current financial liabilities	34.2	10.1	11.8	52.0
Other current non-financial liabilities	55.8	71.9	77.3	44.3
Income tax liabilities	12.2	12.2	0.5	1.5
Current liabilities	**125.4**	**137.8**	**100.9**	**109.7**
Liabilities directly associated with assets classified as held for sale	10.6	–	7.5	–
Total liabilities	**140.7**	**147.3**	**643.9**	**551.2**
Total equity and liabilities	**1,257.0**	**3,919.1**	**4,996.0**	**4,307.3**

Selected Consolidated Statement of Cash Flows Data

	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
		(audited)		(unaudited)	
		(in € million)		(in € million)	
Cash flows from operating activities	(61.1)	(94.6)	(105.5)	(70.6)	(51.8)
Cash flows from investing activities	174.0	(163.5)	(1,347.8)	(1,190.6)	35.9
Cash flows from financing activities	119.7	1,864.3	1,165.2	598.4	(69.5)
Net change in cash and cash equivalents	232.6	1,606.3	(288.2)	(662.8)	(85.4)
Net foreign exchange difference(1)	0.1	(0.0)	3.3	0.0	(0.6)
Cash and cash equivalents at the beginning of the period(2)	214.5	447.2	2,053.4	2,053.4	1,768.6
Cash and cash equivalents at the end of the period(2)	447.2	2,053.4	1,768.6	1,390.7	1,682.5

(1) Shown as net foreign exchange difference in cash and cash equivalents in the consolidated financial statements as of and for the year ended December 31, 2014.
(2) Including cash and cash equivalents in assets classified as held for sale of €33.4 million as of December 31, 2013 and €9.7 million as of December 31, 2015.

Segments

We have identified the following five reportable segments: Home & Living, Fashion, General Merchandise, Food 1 and Food 2. In addition, headquarters, joint ventures and other network companies, not separately reportable, are grouped in the segment Other.

In Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2014, the reportable segment Fashion was presented as two separate reportable segments, E-Commerce Fashion 1 and E-Commerce Fashion 2.

The following table presents segment information for the aforementioned five reportable segments for the dates and periods indicated. Segment information as of and for the year ended December 31, 2014 was taken from the adjusted comparative information in the segment reporting as presented in Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2015. In addition to combining the reportable segments E-Commerce Fashion 1 and E-Commerce Fashion 2 to the single reportable segment Fashion, the comparative information as of and for the year ended December 31, 2014 of the segment Other and the reconciliation column were retrospectively adjusted for network entities that were either sold, ceased operations or that became reportable during 2015 in the segment reporting presented in Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015. Segment information as of and for the year ended December 31, 2013 was taken or derived from the unadjusted comparative information in the segment reporting as presented in Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2014:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited, unless stated otherwise) (in € million)			(unaudited) (in € million)	
Revenue	**99.8**	**128.2**	**128.3**	**71.3**	**28.6**
Home & Living[(1)]	203.2	343.5	452.8	226.4	241.4
Fashion[(2)]	386.1[(3)]	627.5	930.1	418.3	455.8
General Merchandise[(4)]	132.9	243.1	449.9	221.4	122.7
Food 1[(5)]	14.2	69.6	305.0	112.5	291.5
Food 2[(6)]	0.7	6.7	31.5	13.4	21.7
Other	126.3	130.0	201.0	89.0	87.8
Reconciliation[(7)]	(763.6)	(1,292.2)	(2,242.0)	(1,009.7)	(1,192.2)
EBITDA	**1,317.8**	**424.4**	**(200.8)**	**(85.0)**	**(461.4)**
Home & Living[(1)]	(84.3)	(114.9)	(131.7)	(75.0)	(37.6)
Fashion[(2)]	(224.1)[(3)]	(250.3)	(318.6)	(160.9)	(82.3)
General Merchandise[(4)]	(117.4)	(227.8)	(475.9)	(213.3)	(132.0)
Food 1[(5)]	(6.5)	(15.1)	(109.5)	(22.3)	(49.2)
Food 2[(6)]	(13.3)	(38.5)	(108.7)	(49.6)	(34.6)
Other	1,294.1	(89.4)	(229.5)	(75.4)	30.6
Reconciliation[(7)]	469.3	1,160.6	1,173.0	511.5	(156.3)
Cash and cash equivalents	**413.9**	**2,053.4**	**1,758.9**	**1,390.2**	**1,682.5**
Home & Living[(1)]	63.7	50.4	64.6	136.6	48.3
Fashion[(2)]	310.0[(3)]	153.4	75.2	75.7	120.2
General Merchandise[(4)]	214.9	242.4	111.0	240.7	111.9
Food 1[(5)]	3.8	19.8	109.2	118.1	132.6
Food 2[(6)]	8.7	44.5	97.9	153.3	72.1
Other	427.1	2,114.6	1,901.5	1,474.0	1,033.5
Reconciliation[(7)]	(614.4)	(571.7)	(600.5)	(808.1)	163.9

(1) Shown as E-Commerce Home & Living in the consolidated financial statements as of and for the year ended December 31, 2014.

(2) Shown as E-Commerce Fashion 1 and E-Commerce Fashion 2 (together E-Commerce Fashion) in the consolidated financial statements as of and for the year ended December 31, 2014. In the consolidated financial statements as of and for the year ended December 31, 2015, the reportable segments E-Commerce Fashion 1 and E-Commerce Fashion 2 were combined into the single reportable segment Fashion.

(3) Unaudited.

(4) Shown as E-Commerce General Merchandise in the consolidated financial statements as of and for the year ended December 31, 2014.

(5) Shown as E-Commerce Food in the consolidated financial statements as of and for the year ended December 31, 2014.

(6) Shown as Marketplace in the consolidated financial statements as of and for the year ended December 31, 2014.

(7) For the year ended December 31, 2015, reconciliation includes the elimination of revenue of €2,272.2 million and EBITDA adjustments of €1,304.5 million from non-consolidated network companies as well as effects from consolidation. For the year ended December 31, 2014, reconciliation includes the elimination of revenue of €1,332.3 million and EBITDA adjustments of €713.2 million from non-consolidated network companies as well as effects from consolidation. For the year ended December 31, 2013, reconciliation includes the elimination of revenue of €763.6 million and €1,232.9 million operating expenses from non-consolidated network companies as well as effects from consolidation. For the six months ended June 30, 2016, reconciliation includes the elimination of €1,202.3 million revenues and EBITDA adjustments of €409.7 million from non-consolidated network companies as well as effects from consolidation. For the six months ended June 30, 2015, reconciliation includes the elimination of €1,022.7 million revenues and EBITDA adjustments of €583.1 million from non-consolidated network companies as well as effects from consolidation.

Significant changes to the issuer's financial condition and operating results during and subsequent to the period covered by the historical key financial information.	The following significant changes in the Group's operating results occurred in the six months ended June 30, 2016 and June 30, 2015 and in the years 2013, 2014 and 2015:

Six Months Ended June 30, 2015 and 2016

Revenue decreased significantly by 59.9% from €71.3 million in the six months ended June 30, 2015 to €28.6 million in the six months ended June 30, 2016, primarily due to deconsolidations as a result of changes in the consolidation status, sales and the winding down of fully consolidated subsidiaries. In addition, revenue generated from rendering of services, which includes mainly revenues from consulting services performed for network companies, decreased as a result of transfers of functions and employees from the Group to non-consolidated network companies as well as disposals, discontinuance and reduced operations of non-consolidated network companies.

EBITDA deteriorated significantly from negative €85.0 million in the six months ended June 30, 2015 to negative €461.4 million in the six months ended June 30, 2016. This deterioration was mainly due to an impairment-driven decrease in the share of profit/loss of associates and joint ventures and a decrease in revenue, which were only partially offset by a decrease in employee benefits expenses, a decrease in expenses for purchased merchandise and purchased services and an increase in result from deconsolidation of subsidiaries.

Cash flows from operating activities improved by 26.6% from a cash outflow of €70.6 million in the six months ended June 30, 2015 to a cash outflow of €51.8 million in the six months ended June 30, 2016. In both periods, the cash outflow from operating activities was mainly attributable to start-up losses incurred by consolidated subsidiaries. The lower cash outflow in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 was mainly due to the deconsolidation of subsidiaries, which was partially offset by an increase of working capital and higher cash outflows for interest paid.

Total equity decreased by 13.7% from €4,352.1 million as of December 31, 2015 to €3,756.2 million as of June 30, 2016. The decrease was mainly due to a loss for the period in the six months ended June 30, 2016 of €617.3 million mainly as a result of an impairment-driven decrease in the share of profit/loss of associates and joint ventures, which was partially offset by other comprehensive income for the period, net of tax of €18.4 million. Other changes in equity result from the increase of the reserves for equity-settled share-based payments, dividends paid to non-controlling interests and changes in the scope of consolidation and other changes in non-controlling interests.

Years 2014 and 2015

In 2015, revenue remained stable at €128.3 million compared to €128.2 million in 2014. Sale of goods decreased by 19.1% in 2015 compared to 2014, which was nearly offset by an increase in rendering of services by 39.6%.

EBITDA changed significantly from positive €424.4 million in 2014 to negative €200.8 million in 2015. This change was mainly due to a lower result from deconsolidation of subsidiaries and a deterioration in the share of profit/loss of associates and joint ventures. In addition, employee benefits expenses increased.

In 2015, cash flows from operating activities decreased by 11.5% from a cash outflow of €94.6 million in 2014 to a cash outflow of €105.5 million. This change was mainly due to an increase in income taxes paid and an increase in working capital.

Total equity increased from €3,771.9 million as of December 31, 2014, by 15.4% to €4,352.1 million as of December 31, 2015. This increase was mainly due to an increase of capital reserves by €622.8 million. A capital increase from authorized capital in February 2015 led to an increase in capital reserves of €574.5 million. The issuance of a convertible bond in July 2015 resulted in an increase in capital reserves of €37.5 million.

Years 2013 and 2014

In 2014, revenue increased by 28.5% from €99.8 million in 2013 to €128.2 million in 2014, as revenue from both sales of goods and rendering of services increased.

EBITDA decreased significantly from positive €1,317.8 million in 2013 to positive €424.4 million in 2014. This decrease was mainly due to a lower share of profit/loss of associates and joint ventures, as the disposal of nearly all of the Group's shares in Zalando SE contributed €1,123.0 million to the share of profit/loss of associates and joint ventures in 2013 and no similar transaction occurred in 2014. In addition, employee benefits expenses increased. These developments were only partially offset by a strong increase in the result from deconsolidation of subsidiaries.

In 2014, cash flows from operating activities decreased by 54.8% from a cash outflow of €61.1 million in 2013 to a cash outflow of €94.6 million. This change was primarily due to an increase in working capital.

Total equity increased from €1,116.3 million as of December 31, 2013, by €2,655.6 million to €3,771.9 million as of December 31, 2014. The main reason for this increase was a rise in capital reserves by €1,991.9 million, mainly due the share premium recognized in connection with Rocket Internet SE's initial public offering in October 2014 and several capital increases in August 2014.

Recent Developments

In July 2016, Global Fashion Group announced a funding round, which was subscribed by existing investors including Rocket Internet SE and RICP. Rocket Internet invested €18.9 million in cash in July 2016 and received shares from conversion of existing convertible preference shares. The transaction values Global Fashion Group at €1.03 billion following the investment (post-money), compared to a post-money valuation of €3.04 billion prior to this financing round. Rocket Internet's direct and indirect stake after the transaction is 20.6% (beneficial interests including RICP). Following completion of last management roll-over steps agreed in the context of creation of the Global Fashion Group, Rocket Internet's direct and indirect stake after the transaction will decrease to 20.4% (beneficial interests including RICP).

Following a strategic review of its Indian operations ("**Jabong**"), the board of Global Fashion Group concluded that Jabong's position would be best served through a business combination with a local player. In July 2016, Global Fashion Group entered into a definitive agreement to sell Jabong to FK Myntra Holdings Private Limited, a member of the Flipkart Group, for USD 70 million in cash. The transaction closed on August 2, 2016.

In August 2016, New Tin Linio II GmbH (together with the legal entities in which it holds a direct or indirect stake and that operate under the Linio brand, "**Linio**") raised up to €50 million in a new financing round. In this financing round, Linio was valued at €100 million pre-money (but including agreed roll-up steps), corresponding to about one-fourth of Linio's valuation immediately before this financing round. Rocket Internet did not participate in Linio's current financing round. As a result, Rocket Internet SE's stake in Linio will decrease to 4.9% on a fully diluted basis after the issuance of anti-dilution shares to more senior ranking investors and assuming draw down of the full investment amount of €50 million.

In September 2016, Home24 raised €20 million in a financing round. In this financing round, Home24 was valued at €420 million post-money, compared to a post-money valuation of €981 million prior to this financing round. Rocket Internet participated in Home24's current financing round. As a result, Rocket Internet SE's direct and indirect stake in Home24 amounts to 42.9% (beneficial interest including RICP).

In February 2016, Rocket Internet SE decided to spend up to €150 million on a program to repurchase convertible bonds issued by Rocket Internet SE in July 2015. By September 2016, Rocket Internet SE had almost spent the full amount on the repurchase of convertible bonds with an aggregate principal amount of €164 million. Rocket Internet SE announced that it may spend an additional €85 million on the repurchase of convertible bonds until September 30, 2017.

Except as mentioned above, no significant change in our financial or trading position has occurred since June 30, 2016.

B.8	**Selected key pro forma financial information.**	Not applicable. No pro forma financial information has been prepared by Rocket Internet SE.
B.9	**Profit forecast or estimate.**	Not applicable. No profit forecast or estimate is being presented by Rocket Internet SE.
B.10	**Qualifications in the audit report on the historical financial information.**	Not applicable. The auditor's report or audit opinions on the audited historical financial information included in this prospectus have been issued without qualification.
B.11	**Insufficiency of the issuer's working capital for its present requirements.**	Not applicable. Rocket Internet SE is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next twelve months.

C – Securities

C.1	**Type and class of the securities being offered and/or admitted to trading.**	Ordinary bearer shares with no-par value (*Stückaktien*), each with a notional value of €1.00 and full dividend rights from January 1, 2016.
	Security identification number.	International Securities Identification Number (ISIN): DE000A12UKK6 German Securities Number (*Wertpapierkennnummer* (WKN)): A12UKK Common Code: 111314110 Ticker Symbol: RKET
C.2	**Currency.**	Euro.
C.3	**The number of shares issued and fully paid.**	165,140,790 ordinary bearer shares with no par value (*Stückaktien*). The share capital has been fully paid up.
	Notional value.	Each of the shares of Rocket Internet SE represents a notional share of €1.00 in the share capital.
C.4	**A description of the rights attached to the securities.**	Each share in Rocket Internet SE carries one vote at Rocket Internet SE's shareholders' meeting. There are no restrictions on voting rights. The shares carry full dividend rights as from January 1, 2016.
C.5	**A description of any restrictions on the free transfer-ability of the securities.**	Not applicable. Rocket Internet SE's shares are freely transferable in accordance with the legal requirements for bearer shares. There are no prohibitions or restrictions on disposals with respect to the transferability of Rocket Internet SE's shares.
C.6	**Application for admission to trading on a regulated market and identity of regulated markets where the securities are to be traded.**	Rocket Internet SE will apply for the admission of its shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) and the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) on or about September 23, 2016. The listing approval for inclusion to trading for each stock exchange is expected to be announced on or about September 26, 2016. Commencement of trading (*Notierungsaufnahme*) of Rocket Internet SE's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurt Wertpapierbörse*) and the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) is expected to take place on or about September 27, 2016.
C.7	**Dividend policy.**	Rocket Internet SE currently intends to retain all available funds and future earnings, if any, to provide more equity capital to its companies to support their operations and to position them to grow. Rocket Internet SE currently does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, Rocket Internet SE's results of operations, financial condition, contractual restrictions and capital requirements. Rocket Internet SE's future ability to pay dividends may be limited by the terms of any future debt or preferred securities.

D – Risks

D.1 Key risks specific to the issuer and its industry.	An investment in the shares of Rocket Internet SE is subject to risks. The market price of Rocket Internet SE's shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could materially adversely affect our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network. **Risks Related to Rocket Internet SE and the Companies in the Rocket Internet Network** • We disclose in this prospectus valuations derived from investments in the companies in the Rocket Internet network based on the last financing rounds and not derived from our consolidated financial statements. These valuations may not reflect the past, present or future fair values of the companies in the Rocket Internet network and may not be indicative of the total value of Rocket Internet SE. Accordingly, potential investors should not place undue reliance on these valuations. • We have grown into a large organization with a significant number of companies active primarily in five industry sectors and in over 100 countries. There is no guarantee that we can maintain our historical growth rates, including as a result of increased competition, or that we can continue to manage future growth. • Nearly all of the companies in the Rocket Internet network have limited operating histories, are significantly loss making, have a negative operating cash flow, require significant capital expenditure and may never be profitable or cash generating. • Our operations may be impaired and our growth may cease if we do not succeed in raising additional equity or in borrowing money on favorable terms. • The valuation of investments in relatively young companies, which account for the majority of the Group's assets, is subject to significant uncertainty and volatility. • Most shareholders' agreements relating to the companies in the Rocket Internet network contain liquidation preferences for other investors, which may result in a disproportionate decrease in the value of Rocket Internet SE's direct and indirect stakes in these companies as well as disproportionately low exit proceeds for us. In addition, later financing rounds effected at a lower valuation may lead to a dilution of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network due to down-round protection rights granted to other shareholders in the relevant network company. Further, a number of our shareholders' agreements contain so-called drag-along rights, which give the major shareholders of the relevant company the right to require the other shareholders to sell their shares in the same transaction and at the same conditions.

- Because Rocket Internet SE does not control most of the companies in the Rocket Internet network, they are operationally independent and may make business decisions that are not in Rocket Internet SE's or their best interests or that Rocket Internet SE does not agree with and which could impair the value of Rocket Internet SE's direct and indirect holdings.
- Our global expansion, in particular into a large number of emerging markets, exposes us to political, economic, legal and other risks and uncertainties.
- Our markets may not be as attractive as we currently believe and may not develop as we anticipate.
- We may never become profitable in our target markets due to the substantial operating complexity we need to overcome, including the maintenance of significant logistics, delivery and payment infrastructure.
- Rocket Internet SE was co-founded by Oliver Samwer, its current chief executive officer, and we continue to depend on his leadership. Conflicts of interest may arise between Mr. Samwer and us and there is no guarantee that Mr. Samwer will or will be able to continue to devote his time and energy to us.
- Conflicts of interest may arise between us and current or former companies in the Rocket Internet network or among them.
- Our future growth will depend on our ability to identify additional proven internet business concepts on which to model new companies and to turn those concepts into successful enterprises.
- Rocket Internet SE has made significant investments in existing internet companies and may deploy significant amounts for acquisitions and investments, which may prove unsuccessful.
- The companies in the Rocket Internet network may face intense competition and may fail if their competitors provide superior offerings or if the companies in the Rocket Internet network do not adapt to changing market environments.
- We may be the subject of anti-competitive behavior, harassing or other detrimental conduct by third parties including complaints to regulatory agencies, negative blog postings, and the public dissemination of malicious assessments of our business that could harm our reputation and cause us to lose market share, customers and revenue.
- We depend on talented, experienced and committed personnel to grow and operate our business and the companies in the Rocket Internet network, and if we are unable to hire, retain, manage and motivate our personnel, or if our new personnel does not perform as anticipated, we may be unable to grow effectively.
- Our technology platform and our infrastructure are essential to us, and any failure to maintain the satisfactory performance of our technology platform and infrastructure may materially adversely affect our business and reputation.
- Our business may be disrupted if we are unable to upgrade our

technology platform to meet increased demand.

- Third-party attempts to breach our networks or data security, or the existence of any other security vulnerabilities, may damage our reputation and adversely affect our business.
- Rocket Internet SE's financial results may be volatile, which could cause its share price to fluctuate.
- Rocket Internet SE's audited consolidated financial statements do not fully reflect the operating performance of our unconsolidated companies.

Legal and Regulatory Risks

- Government regulations of the internet and e-commerce in the countries in which we are conducting business are evolving and may change in a manner that is unfavorable, and we may fail to comply with applicable regulations.
- Conducting business in more than 100 countries around the globe requires us to comply with numerous, complex and sometimes conflicting legal and regulatory requirements.
- The companies in the Rocket Internet network may become liable to their customers and lose customers if they have errors or defects in their products or services or disruptions in their service.
- The companies in the Rocket Internet network may be subject to allegations and lawsuits concerning the content of their websites or claiming that items listed on their websites are pirated, counterfeit or illegal. We may be subject to litigation proceedings that could disrupt and harm our business.
- We may not be able to adequately protect our intellectual property rights or may be accused of infringing the intellectual property rights of third parties.
- As we use a large number of very similar shareholders' agreements, if a court were to invalidate one or more of our standardized shareholders' agreements, the validity of a large number of our shareholders' agreements could be in jeopardy; additionally, we may not be in compliance with all the provisions of our various shareholders' agreements and other agreements.

Tax Risks

- As a fast-growing and internationally expanding network of companies which has experienced a large number of significant exits, mergers and restructurings in quick succession, we face unsettled tax questions. It is more difficult for us to assess potential tax risks arising from unaudited fiscal years than for more established companies. We may therefore more likely be required to pay significant additional taxes following future tax audits and ongoing tax assessments than more established companies.
- If tax authorities deem Rocket Internet SE to fall within the scope of the short-term profit rule, dividend income and capital gains received or realized since Rocket Internet SE's most recently tax

audited fiscal year could become fully taxable.

- Certain of our cross-border business dealings may trigger unforeseen adverse tax consequences.
- The spin-off of Zalando SE and the subsequent redemption of shares in Rocket Internet SE held by Rocket Beteiligungs GmbH may result in a significant additional tax burden.
- The organizational setup of our tax compliance may not have been sufficient at all stages of our development to meet the growing demands of a globally expanding organization.
- We may be required to pay additional taxes if our intra-group transfer prices do not meet prevailing market rates. Failure of the companies in the Rocket Internet network to fully comply with value-added tax requirements could trigger adverse tax consequences, including an obligation to refund input value-added tax.
- We are subject to tax laws and regulations in Germany and numerous other countries. Our tax burden may increase as a consequence of future tax treatment of dividend payments, non-deductibility of interest payments, current or future tax assessments or court proceedings based on changes in domestic or foreign tax laws and double taxation treaties or changes in the application or interpretation thereof.

D.3 Key risks specific to the securities.

Risks Related to Shares

- Active trading in Rocket Internet SE's shares may not develop and the price of Rocket Internet SE's shares could fluctuate significantly.
- Rocket Internet SE currently does not intend, and may not be able to, pay dividends in the foreseeable future.
- As a result of the uplisting, Rocket Internet SE will face additional regulatory and administrative requirements, including the obligation to issue quarterly group statements and other disclosure obligations.
- Any future sales of Rocket Internet SE's shares by its major shareholders could depress the market price of Rocket Internet SE's shares, and our shareholders' interests may deviate from, or conflict with, Rocket Internet SE's interests.

E – Offer

E.1	**The total net proceeds.**	Not applicable. This prospectus does not relate to an offering of shares.
	Estimate of the total expenses of the offering and listing, including estimated expenses charged to the investor by the issuer.	The costs related to the listing of the shares are expected to total approximately €2 million. Investors will not be charged expenses by Rocket Internet SE or Berenberg.

E.2a	**Reasons for the offering.**	Not applicable. This prospectus does not relate to an offering of shares.
	Use of proceeds, estimated net amount of the proceeds.	Not applicable. This prospectus does not relate to an offering of shares. Accordingly, neither Rocket Internet SE nor any shareholder of Rocket Internet SE will receive any proceeds from the issuance of shares.
E.3	**Description of the terms and conditions of the offer.**	Not applicable. This prospectus does not relate to an offering of shares.
	Stabilization Measures, Over-Allotment and Greenshoe option.	Not applicable. This prospectus does not relate to an offering of shares.
E.4	**Interests material to the issue/offer including conflicting interests.**	Berenberg has entered into a listing agreement with Rocket Internet SE in connection with the listing of Rocket Internet SE's shares on the regulated segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). Berenberg is advising Rocket Internet SE on the listing and is coordinating the listing process. Berenberg will receive a customary fixed commission for such services. Furthermore, Berenberg or Berenberg's affiliates have, and may from time to time in the future continue to have, business relations with members of the Group or may perform services for members of the Group in the ordinary course of business. Other than the interests described above, there are no conflicts of interest with respect to the listing.
E.5	**Name of the person or entity offering to sell the security.**	Not applicable. This prospectus does not relate to an offering of shares.
	Lock-up agreement: the parties involved; and indication of the period of the lock-up.	Not applicable. There are no lock-up agreements with respect to the shares of Rocket Internet SE.
E.6	**Amount and percentage of immediate dilution resulting from the offering.**	Not applicable. This prospectus does not relate to an offering of shares.
E.7	**Estimated expenses charged to the investor by the issuer.**	Not applicable. Investors will not be charged expenses by Rocket Internet SE or Berenberg.

II. ZUSAMMENFASSUNG DES PROSPEKTS

*Zusammenfassungen bestehen aus geforderten Angaben, die als Elemente („***Elemente***") bezeichnet werden. Diese Elemente sind in den Abschnitten A – E (A.1 – E.7) fortlaufend nummeriert. Diese Zusammenfassung enthält alle Elemente, die für die vorliegende Art von Wertpapier und Emittent in eine Zusammenfassung aufzunehmen sind. Da einige Elemente nicht behandelt werden müssen, können in der Nummerierungsreihenfolge Lücken auftreten. Selbst wenn ein Element wegen der Art des Wertpapiers und des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass in Bezug auf dieses Element keine relevanten Informationen gegeben werden können. In solchen Fällen enthält die Zusammenfassung eine kurze Beschreibung des Elements mit dem Hinweis „Entfällt".*

A – Einleitung und Warnhinweise

A.1	**Einleitung und Warnhinweise.**	Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt verstanden werden. Bei jeder Anlageentscheidung sollte sich der Anleger auf die Prüfung des gesamten Prospekts stützen. Sollten Ansprüche aufgrund der in diesem Prospekt enthaltenen Informationen in einem Gerichtsverfahren geltend gemacht werden, so hat der als Kläger auftretende Anleger gemäß den nationalen Gesetzen der Mitgliedstaaten des Europäischen Wirtschaftsraums möglicherweise die Kosten der Übersetzung dieses Prospekts vor Beginn des Gerichtsverfahrens zu tragen. Die Rocket Internet SE, Berlin, Deutschland (die „**Rocket Internet SE**" und zusammen mit den Gesellschaften, die im Konzernabschluss der Rocket Internet SE vollkonsolidiert sind, „**wir**", „**uns**", „**unser**", „**Rocket Internet**" oder der „**Konzern**), hat zusammen mit Joh. Berenberg, Gossler & Co. KG, Hamburg („**Berenberg**") gemäß § 5 Abs. 2b Nr. 4 Wertpapierprospektgesetz die Verantwortung für den Inhalt dieser Zusammenfassung übernommen. Diejenigen Personen, welche die Verantwortung für die Zusammenfassung einschließlich etwaiger Übersetzungen hiervon übernommen haben oder von denen der Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass diese Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen dieses Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt.
A.2	**Angabe über spätere Verwendung des Prospekts.**	Entfällt. Eine Zustimmung zur Verwendung des Prospekts für eine spätere Weiterveräußerung oder Platzierung der Aktien wurde nicht erteilt.

B – Emittent

B.1	**Juristische und kommerzielle Bezeichnung.**	Die juristische Bezeichnung der Rocket Internet SE lautet Rocket Internet SE. Sie betreibt ihre Geschäfte unter der Firma „Rocket Internet".

B.2	**Sitz und Rechtsform des Emittenten, anwendbares Recht, Land der Gründung.**	Die Rocket Internet SE hat ihren Sitz in der Charlottenstraße 4, 10969 Berlin, Deutschland, und ist im Handelsregister des Amtsgerichts Charlottenburg, Berlin, Deutschland unter HRB 165662 B eingetragen. Die Rocket Internet SE ist eine Europäische Gesellschaft (*Societas Europaea* (SE)), die in Deutschland gegründet wurde und deutschem Recht unterliegt.
B.3	**Derzeitige Geschäfts- und Haupttätigkeit sowie Hauptmärkte, auf denen der Emittent vertreten ist.**	Wir entwickeln und investieren in Internetgesellschaften, die bewährte Onlinegeschäftsmodelle auf neue, unterversorgte oder unerschlossene Märkte übertragen, wo wir versuchen, die neuen Gesellschaften zu entwickeln und auszubauen. Unsere flexible und anpassbare Systemplattform nutzt hierbei standardisierte Prozesse zur Identifikation von Geschäftsmodellen und bietet standardisierte Lösungen für eine Vielzahl von Internetgeschäftsmodellen. Wir fokussieren uns derzeit auf fünf Sektoren, die Grundbedürfnisse von Konsumenten bedienen: Essen & Lebensmittel (Food & Groceries), Mode (Fashion), Konsumgüter (General Merchandise), Haus & Wohnen (Home & Living) und Reisen (Travel). Wir versuchen unser Risiko zu minimieren, indem wir uns auf bereits bewährte Geschäftsmodelle verlassen und mit externen Finanzierungen zum Wachstum der neuen Unternehmen beitragen. Neben der Gründung neuer Unternehmen durch uns investieren wir in bestehende Gesellschaften, indem wir entweder an Finanzierungsrunden teilnehmen oder im Rahmen von Sekundärtransaktionen Anteile erwerben. Diese Investitionen sind auf langfristige Verpflichtungen angelegt, wobei wir uns bemühen, langfristig Wert durch die Entwicklung des Geschäfts zu schaffen. Wir setzen unsere Geschäftsstrategie durch enge Einbindung in die operative Führung von vielen Unternehmen in unserem Netzwerk und unsere aktive Teilnahme an deren operativer Weiterentwicklung um. Wir bemühen uns, diesen Unternehmen Beratung für die Entwicklung ihres Geschäfts zu bieten und streben danach, ihre operative Weiterentwicklung durch Zugang zu unserer Technologieplattform sowie durch Austausch unseres eigenen Wissens zu beschleunigen. Wir streben die Nutzung von Netzwerk- und Synergieeffekten über unsere Systemplattform und unser gesamtes Unternehmensnetzwerk hinweg an. Mit Netzwerkunternehmen, die bereits in vielen unserer Zielmärkte aktiv sind, zielen wir darauf ab, von lokaler Expertise und geringeren Einstiegskosten beim Aufbau weiterer Unternehmen zu profitieren. Wir haben ein lokales Arbeitsumfeld geschaffen, d.h. Internet-Know-How, lokale Arbeitsprozesse und Logistik-Know-How, insbesondere im Bereich des Marketings, der Lagerverwaltung, der Inhaltserstellung, des Verkaufs, der Last-Mile-Zustellung, der Zahlungsabwicklung und der Kundenbetreuung, das von den Unternehmen des Rocket-Internet-Netzwerks genutzt werden kann. Ferner unterstützen unsere örtlichen Fachkräfte das Wachstum der Netzwerkunternehmen und helfen beim Identifizieren neuer Geschäftsmöglichkeiten. Zudem bestehen Partnerschaften mit regionalen und globalen Unternehmen, die uns Zugang zu deren bestehender Infrastruktur, ihren Geschäftsbeziehungen und Fähigkeiten gewähren.

Wir haben eigene Technologien entwickelt, welche die Unternehmen des Rocket-Internet-Netzwerks mit standardisierten Lösungen für eine Reihe von Internet-Geschäftsmodellen versorgt. Unser modularer Rahmen ist so gestaltet, dass er den Bedürfnissen unserer Geschäfte entspricht, da er an die spezifischen Anforderungen einzelner Unternehmen oder unterschiedlicher Märkte angepasst werden kann. Während alleinstehende Unternehmen ihre Technologie von neuem entwickeln müssen, haben die Unternehmen des Rocket-Internet-Netzwerks Zugang zu einem flexiblen und praxiserprobten Gerüst, das es unseren Unternehmern ermöglicht, sich auf ihr Kerngeschäft zu konzentrieren.

Als Teil unserer globalen Strategie haben wir regionale Internetgruppen („**Regionale Internetgruppen**") in Afrika, dem Mittleren Osten und Asien-Pazifik geschaffen, um örtliche Markterfahrungen zu bündeln, regionale Handelsbeziehungen zu schaffen, eine örtliche Präsenz und Personal- und Warenbeschaffung zu ermöglichen und die Markteinführung von Unternehmungen in den jeweiligen Regionen zu unterstützen. Strategische und Investment-Partnerschaften, insbesondere solche mit Mobilfunkbetreibern, beschleunigen dabei die Markteinführung unserer Unternehmungen. Unsere Partner, u.a. Mobile Telephone Networks Holdings (Pty) Limited (MTN), Ooredoo Q.S.C. (Ooredoo), Millicom International Cellular S.A. (Millicom), Orange S.A. (Orange) und AXA Africa Holding S.A.S. (AXA) sind Co-Investoren unserer Regionalen Internetgruppen und bieten ihnen strategische Unterstützung sowie Möglichkeiten zur Realisierung von Synergien.

Üblicherweise besitzt die Rocket Internet SE zum Zeitpunkt der Gründung einen unmittelbaren oder mittelbaren Anteil von 80 % bis 90 % an den Unternehmen des Rocket-Internet-Netzwerks, wobei der verbleibende Teil für Unternehmensbeteiligungsprogramme für die Geschäftsführung zur Verfügung gehalten wird. Typischerweise erzielen die Unternehmen des Rocket-Internet-Netzwerks einen negativen operativen Cashflow und sind für ihr Wachstum auf eine erhebliche externe Finanzierung angewiesen. Wir versuchen, externe Eigenkapitalfinanzierungen von unseren strategischen örtlichen Partnern oder anderen strategischen Investoren oder Finanzinvestoren für die Gesellschaften im Rocket-Internet-Netzwerk einzuwerben. Diese Investitionen werden entweder unmittelbar in die Unternehmen oder mittelbar in eine Regionale Internetgruppe, die als zwischengeschaltete Holding agiert, getätigt. In der Vergangenheit bedeutete dies, dass sich die unmittelbare und mittelbare Beteiligung der Rocket Internet SE an einem Unternehmen im Laufe der Zeit mit zunehmender Größe und Reifegrad des Unternehmens auf einen Anteil von unter 50 % verringert hat. Daher kontrolliert die Rocket Internet SE die meisten Unternehmen des Rocket-Internet-Netzwerks weder direkt noch indirekt. Wir haben regelmäßig nur einen nachrangigen Anspruch auf den Erlös aus einem Exit aufgrund von Liquidationsvorrechten anderer Investoren oder Absprachen über eine Bevorzugung bei den Erlösen, was unter Umständen bedeuten kann, dass wir gar keine Erlöse aus einem Exit erzielen. Im Januar 2016 wurde Rocket Internet Capital Partners (Rocket Internet Capital Partners SCS und Rocket Internet Capital Partners (Euro) SCS, zusammen „**RICP**“) gegründet. RICP kann sowohl in von uns gegründete Unternehmen als auch in Gründungen Dritter investieren.

Die Umsatzerlöse der Netzwerkunternehmen, welche die Rocket Internet SE weder unmittelbar noch mittelbar kontrolliert, werden nicht in der Konzern-Gesamtergebnisrechnung der Rocket Internet SE berücksichtigt. Die Konzern-Umsatzerlöse betrugen im Geschäftsjahr 2015 EUR 128,3 Millionen, das Periodenergebnis belief sich im Geschäftsjahr 2015 auf einen Verlust von EUR 197,8 Millionen und die Bilanzsumme zum 31. Dezember 2015 betrug EUR 4.996,0 Millionen. Das Periodenergebnis beinhaltet auch den dem Konzern zuzurechnenden Anteil am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen in Höhe eines Verlusts von EUR 188,6 Millionen im Geschäftsjahr 2015. Das aggregierte Periodenergebnis unserer wesentlichen assoziierten Unternehmen und Ergebnis aus laufender Geschäftstätigkeit unserer wesentlichen Gemeinschaftsunternehmen, wie nach IFRS 12 in den Anhangangaben des Konzernabschlusses der Rocket Internet SE für das zum 31. Dezember 2015 endende Geschäftsjahr gezeigt, belief sich auf einen Verlust von insgesamt EUR 1,4 Milliarden im Geschäftsjahr 2015.

Die Konzern-Umsatzerlöse betrugen in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum EUR 28,6 Millionen. Das Periodenergebnis des Konzerns verschlechterte sich signifikant von einem Verlust von EUR 43,9 Millionen in dem zum 30. Juni 2015 endenden Sechsmonatszeitraum auf einen Verlust von EUR 617,3 Millionen in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum, was vor allem auf eine Verringerung des Anteils am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen aufgrund von Wertminderungen, auf den Rückgang des Finanzergebnisses und eine Verringerung der Umsatzerlöse zurückzuführen war. Der Rückgang des Anteils am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen war vor allem auf Global Fashion Group (wie unter B.5 definiert) zurückzuführen, wo eine Finanzierungsrunde zu einer niedrigeren Bewertung als die vorangegangene Finanzierungsrunde zu signifikanten Wertminderungen führte. Es kann nicht ausgeschlossen werden, dass andere Finanzierungsrunden zu geringeren Bewertungen zu weiteren signifikanten Wertminderungen und Verlusten führen werden. Die Bilanzsumme des Konzerns betrug zum 30. Juni 2016 EUR 4.307,3 Millionen.

Strategie

Die Schlüsselelemente unserer aktuellen Strategie umfassen:

Aufbau von führenden Unternehmen in Kernbranchen durch ausgewählte Investitionen und organisches Wachstum.

Wir zielen derzeit auf fünf Branchen ab: Food & Groceries, Fashion, General Merchandise, Home & Living und Travel. Diese Wirtschaftszweige machen einen Großteil der Konsumentenausgaben aus und durch eine Vielzahl verschiedener darauf abzielender Geschäftsmodelle streben wir danach, unseren Anteil an Konsumentenausgaben für Online- und Mobil-Einzelhandel und

Dienstleistungen zu maximieren. Der Sektor Food & Groceries, den wir für eines der nächsten Wachstumsgebiete im e-Commerce halten, ist eine unserer wesentlichen Zielbranchen. In diesem Sektor weiten wir unsere Position durch selektive Investitionen aus. Nach dem Börsengang der Rocket Internet SE erhöhte der Konzern seine Beteiligungen an der HelloFresh AG („**HelloFresh**“) auf 55,6 % und an der Emerging Markets Online Food Delivery Holding S.à r.l. („**foodpanda**“) auf 49,1 % und erwarb einen Anteil an Delivery Hero (wie unter B.5 definiert) von 37,3 %. Zusätzlich tätigte die Rocket Internet SE im Geschäftsjahr 2016 weitere Investitionen in den Bereichen Fashion, Home & Living und General Merchandise, indem sie in die Global Fashion Group (wie unter B.5 definiert), Westwing (wie unter B.5 definiert) und die Africa Internet Holding GmbH investierte.

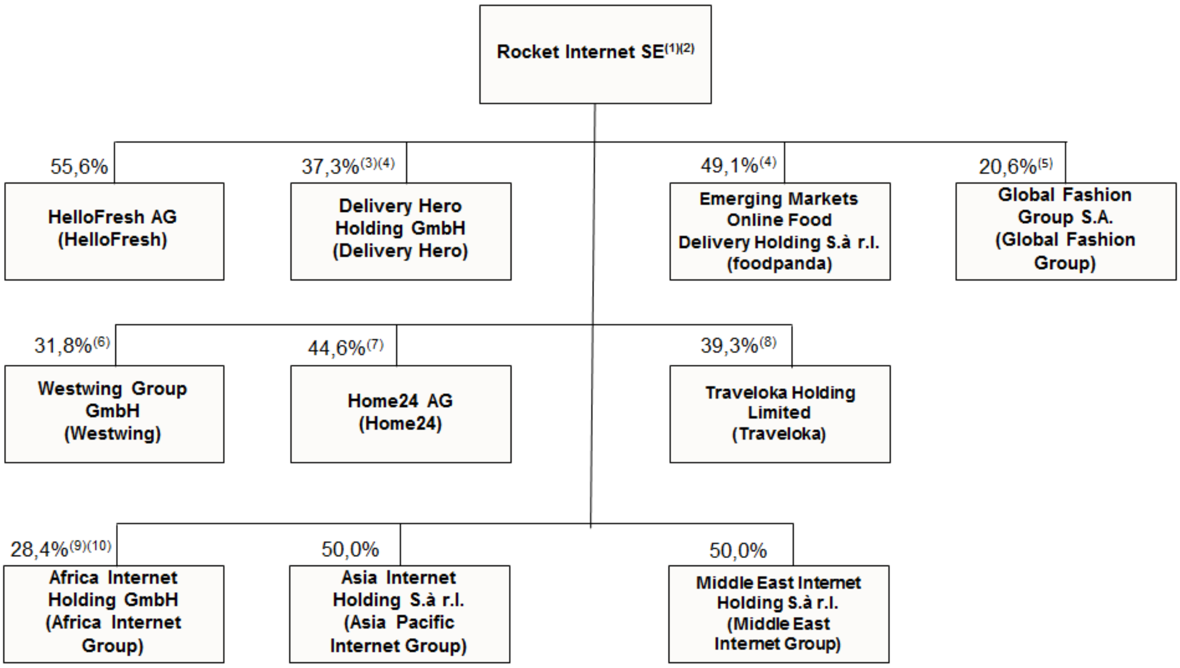
Verfolgen nachhaltiger Marktpositionen.

Wir streben nachhaltige Marktpositionen in den Märkten und Sektoren, die wir betreten, an. Um eine starke Marktposition zu erzielen und um unser Ziel zu verfolgen, langfristig Werte zu schaffen, investieren wir trotz Verlusten frühzeitig in Produktportfolio, Technologien, Infrastruktur und logistische Kapazitäten von Geschäftsmodellen.

Bewahren einer starken Finanzposition und Zugang zu Finanzierungen, um die operativen Strategien unserer Netzwerkunternehmen zu unterstützen.

Rocket Internet stellt Unternehmen Finanzmittel zur Verfügung, damit diese ihr Geschäft gründen und weiterentwickeln können. Da Kapital eine essentielle Voraussetzung für das Wachstum von Unternehmen ist, zielen wir darauf ab, eine starke Finanzposition sowie Zugang zu Finanzierungen sicherzustellen. Üblicherweise finanzieren wir Netzwerkunternehmen mit einer Mischung aus eigenem Kapital und Kapital Dritter. Um unsere Finanzkraft zu stärken, haben wir erfolgreich eine Reihe von Maßnahmen durchgeführt und zusätzliches Kapital aufgenommen. Im Oktober 2014 schloss die Rocket Internet SE ihren Börsengang ab und nahm so Bruttoemissionserlöse von EUR 1,4 Milliarden ein. Im Februar 2015 platzierte die Rocket Internet SE 12 Millionen auf den Inhaber lautende Stückaktien, wodurch sie weitere EUR 588,5 Millionen Bruttoemissionserlöse erzielte. Im Juli 2015 begab die Rocket Internet SE Wandelschuldverschreibungen im Gesamtnennwert von EUR 550 Millionen, von denen der Konzern im zum 30. Juni 2016 endenden Sechsmonatszeitraum Wandelschuldverschreibungen mit einem Nominalwert von insgesamt EUR 83,7 Millionen zurückgekauft hat. Zudem wurde im Januar 2016 RICP gegründet. RICP sammelt weltweit Kapital von Investoren ein und investiert neben uns, was den Netzwerkunternehmen eine deutliche Beschleunigung ihrer Finanzierung ermöglicht. Die Interessen von RICP stimmen mit unseren Interessen überein, da RICP entsprechend dem Partnerschaftsvertrag mit uns zusammen in einem festgelegten Verhältnis (80 % für RICP zu 20 % für Rocket Internet) investiert und da die Rocket Internet SE in RICP investiert hat, indem sie sich bereit

		erklärt hat, regelmäßig 10 % der Gesamtverpflichtungen von RICP zu übernehmen. Wir partizipieren an der wirtschaftlichen Entwicklung von RICP durch die Anlagenrendite für unsere Verpflichtungen und durch einen Anteil am Nettogewinn von RICP.
B.4a	**Wichtigste jüngste Trends, die sich auf den Emittenten und die Branchen, in denen er tätig ist, auswirken.**	Unsere Strategie beruht auf fünf wesentlichen Trends, die aus unserer Sicht das Wachstum in unseren wichtigsten Entwicklungsmärkten vorantreiben: • Die Internetverbreitung in Entwicklungsmärkten ist gering, wächst jedoch schnell, sodass zu erwarten ist, dass die Nachfrage nach mobilen und Online-Diensten zur Befriedigung von Grundbedürfnissen in diesen Märkten wachsen wird. • Die Smartphone-Revolution ermöglicht immer mehr Menschen Internetzugang, was Onlinehändlern die Chance eröffnet, sich weltweit eine größere Nachfrage zu erschließen. • Die Bevölkerung in vielen unserer Märkte ist jünger als in den Vereinigten Staaten, was die Reichweite von Online-Geschäftsmodellen insbesondere außerhalb der Vereinigten Staaten erweitert. • Es wird erwartet, dass die Mittelschicht in vielen der Entwicklungsmärkte stark wachsen wird und wir erwarten, dass sich dadurch die verfügbaren Konsumausgaben erhöhen werden. • Der konventionelle Einzelhandel ist in vielen unserer Zielmärkte unterentwickelt, wodurch erwartet wird, dass Onlinehändler schnell mehr Kunden gewinnen können.
B.5	**Beschreibung des Konzerns und der Stellung des Emittenten innerhalb dieses Konzerns.**	Das folgende Schaubild illustriert (in vereinfachter Form) die wesentlichen Beteiligungen der Rocket Internet SE zum 31. August 2016 unter Berücksichtigung der unmittelbaren oder mittelbaren durchgerechneten Beteiligungsanteile. Die dargestellten Aktienanteile schließen auch die verbundenen Unternehmen gemäß der §§ 15 ff. Aktiengesetz mit ein. Außer den Angaben in den Fußnoten zum folgenden Schaubild gab es keine Veränderungen bis zum Prospektdatum in den unmittelbaren oder mittelbaren durchgerechneten Beteiligungsanteilen der Rocket Internet SE.



(*Quelle: Information der Rocket Internet SE*)

(1) Anteile werden auf einer nicht vollständig verwässerten Grundlage dargestellt (sofern dies nicht anders angegeben ist). Unmittelbare und mittelbare Beteiligungen werden nach dem Stand zum 31. August 2016 dargestellt.

(2) Die dargestellten Beteiligungsanteile können von den Pflichtangaben in den Geschäftsberichten für die Geschäftsjahre 2014 und 2015 oder anderen Abschlüssen, Finanzberichten oder Angaben, nicht nur aufgrund von Finanzierungsrunden abweichen (d.h. Bezugnahme auf unterschiedliche Zeitpunkte). Solche nicht zeitbasierenden Abweichungen können auf einer Reihe von Gründen basieren, etwa der Berücksichtigung nicht zugerechneter Treuhänderanteile, die für Bilanzierungszwecke dem Konzern zugerechnet wurden, der Nichtberücksichtigung eigener Aktien bei der Ermittlung von Beteiligungsquoten für Bilanzierungszwecke, sowie Verträgen, in denen Unterzeichnung und Vollzug nicht zeitgleich erfolgen.

(3) Der Anteil an der Delivery Hero Holding GmbH (gemeinsam mit den Gesellschaften, an denen sie einen direkten oder indirekten Anteil hält, „**Delivery Hero**“) wird auf einer vollständig verwässerten Grundlage dargestellt.

(4) Delivery Hero Holding GmbH und Emerging Markets Online Food Delivery Holding S.à r.l. werden durch die Global Online Takeaway Group S.A. gehalten, an der die Rocket Internet SE unmittelbar 100 % der Anteile hält.

(5) Stellt den unmittelbaren und mittelbaren Anteil der Rocket Internet SE (durchgerechneter Beteiligungsanteil einschließlich RICP) an der Global Fashion Group S.A.(gemeinsam mit ihren Tochterunternehmen die „**Global Fashion Group**“) dar. Nach Vollendung der letzten Einbringungsschritte, die im Zusammenhang mit der Errichtung der Global Fashion Group vereinbart wurden, wird sich der unmittelbare und mittelbare Anteil von Rocket Internet nach der Transaktion auf 20,4 % verringern (durchgerechneter Beteiligungsanteil einschließlich RICP).

(6) Die Westwing Group GmbH („**Westwing**“) wird mittelbar durch die Jade 1317. GmbH („**Westwing SPV**“) (24,8%) und unmittelbar (7,0 %) gehalten. Die Rocket Internet SE hält zu 100 % unmittelbar die Westwing SPV.

(7) „**Home24**“ bezeichnet die Home24 AG (vormals Home24 GmbH) gemeinsam mit den Gesellschaften, an denen sie einen direkten oder indirekten Anteil hält, und die unter den Marken Home24 und Mobly operieren. Im September 2016 wurden Home24 EUR 20 Millionen in einer Finanzierungsrunde zur Verfügung gestellt. Der unmittelbare und mittelbare Anteil von Rocket Internet SE nach der Transaktion beträgt nun 42,9% (durchgerechneter Beteiligungsanteil einschließlich RICP).

(8) Die Anteile an Traveloka Holding Limited werden durch die Rocket Internet SE indirekt durch die Bambino 106 V V UG (haftungsbeschränkt) gehalten, an der die Rocket Internet SE 100 % der Anteile hält.

(9) Die Africa Internet Holding GmbH wird durch die AEH New Africa eCommerce I GmbH, RICP und unmittelbar (21,7 %) gehalten. Die AEH New Africa eCommerce II GmbH ist die einzige Anteilsinhaberin der AEH New Africa eCommerce I GmbH. Die Rocket Internet SE hält eine unmittelbare Beteiligung von 71,2 % an der AEH New Africa eCommerce II GmbH. Die AEH New Africa eCommerce I GmbH wiederum hält 8,9 % der Anteile an der Africa Internet Holding GmbH.

(10) Im August 2016 wurde die Africa eCommerce Holding GmbH, die Holdinggesellschaft von Jumia, auf die Africa Internet Holding GmbH verschmolzen.

B.6 Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital des Emittenten und den Stimmrechten halten.

Die folgende Tabelle zeigt die wesentlichen direkten und indirekten Aktionäre der Rocket Internet SE basierend auf dem besten Wissen der Rocket Internet SE:

Mittelbare Anteilsinhaber	Unmittelbare Anteilsinhaber	Wirtschaftliche (Mittelbare) Beteiligung an der Rocket Internet SE (in %)
Zerena GmbH	Global Founders GmbH	37,1[1]
Verdere S.à r.l.	Kinnevik Internet Lux S.à r.l.[2]	13,2
United Internet AG	United Internet Ventures AG	8,3
–	Scottish Mortgage Investment Trust Plc[3]	6,8
Philippine Long Distance Telephone Company	PLDT Online Investments PTE. LTD.	6,1
Len Blavatnik	AI European Holdings S.à r.l.	6,0
Andere Anteilsinhaber/Streubesitz[4]		22,5
Total		**100,00**

(1) Die Anteile der Global Founders GmbH werden deren Mehrheitsaktionär, der Rocata GmbH, und wiederum dem Mehrheitsaktionär der Rocata GmbH, der Zerena GmbH, zugerechnet. Als Aktionär der Zerena GmbH hält die Oliver Samwer Familienstiftung mittelbar Aktien der Rocket Internet SE, die zuvor von Oliver Samwer durch die Global Founders GmbH gehalten wurden.

(2) Kinnevik Internet Lux S.à r.l. ist eine Tochter der Investment AB Kinnevik. Die Verdere S.à. r.l. ist der größte Aktionär der Investment AB Kinnevik in Bezug auf Stimmrechte.

(3) Die Scottish Mortgage Investment Plc ist ein Investment Trust, der durch Baillie Gifford & Co. verwaltet wird.

(4) Andere Anteilsinhaber/Streubesitz bezieht sich auf Beteiligungen an der Rocket Internet SE von weniger als drei Prozent. Diese Zahl beinhaltet einen Gesamtanteil an der Rocket Internet SE von ca. 1,0 %, der von Marc, Oliver und Alexander Samwer über die MOAS GmbH & Co. KG, die MOAS Nr. 2 GmbH & Co. KG und die MOAS Nr. 3 GmbH & Co. KG gehalten wird.

Unterschiedliche Stimmrechte der Hauptanteilseigner des Emittenten, falls vorhanden.

Entfällt. Jede Aktie der Rocket Internet SE berechtigt zu einer Stimme in der Hauptversammlung der Rocket Internet SE.

Unmittelbare oder mittelbare Beteiligungen an der Emittentin und Art der Beherrschung.

Die Rocket Internet SE wird unmittelbar von der Global Founders GmbH („**Global Founders**") kontrolliert, die 37,1 % der Stimmrechte der Rocket Internet SE hält. Global Founders wird unmittelbar durch die Rocata GmbH kontrolliert, die wiederum unmittelbar durch die Zerena GmbH kontrolliert wird.

B.7 Ausgewählte wesentliche historische Finanzinformationen.

Die in der folgenden Diskussion enthaltenen Finanzinformationen sind den geprüften Konzernabschlüssen der Rocket Internet SE für das zum 31. Dezember 2014 endende Geschäftsjahr und für das zum 31. Dezember 2015 endende Geschäftsjahr sowie dem ungeprüften verkürzten Konzernzwischenabschluss für den zum 30. Juni 2016 endenden Sechsmonatszeitraum und dem Rechnungswesen oder Controlling des Konzerns entnommen oder daraus abgeleitet oder auf der Basis von Zahlen aus den oben genannten Quellen berechnet worden, sofern nicht anders angegeben. Die Finanzinformationen für das zum 31. Dezember 2013 endende Geschäftsjahr wurden den Vergleichsinformationen des geprüften Konzernabschlusses der

Rocket Internet SE für das zum 31. Dezember 2014 endende Geschäftsjahr entnommen oder daraus abgeleitet. Der Konzernabschluss der Rocket Internet SE für das zum 31. Dezember 2014 endende Geschäftsjahr wurde nach den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind, („**IFRS“**) erstellt. Der Konzernabschluss der Rocket Internet SE für das zum 31. Dezember 2015 endende Geschäftsjahr wurde nach IFRS und den ergänzend nach § 315a Abs. 1 Handelsgesetzbuch anzuwendenden handelsrechtlichen Vorschriften erstellt. Der ungeprüfte verkürzte Konzernzwischenabschluss der Rocket Internet SE für den zum 30. Juni 2016 endenden Sechsmonatszeitraum wurde nach IFRS für Zwischenberichterstattung (IAS 34) erstellt.

Die Konzernabschlüsse für die zum 31. Dezember 2014 und 31. Dezember 2015 endenden Geschäftsjahre und der Jahresabschluss für das zum 31. Dezember 2015 endende Geschäftsjahr wurden von der Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Niederlassung Berlin, geprüft und jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen. Die Abschlüsse und Bestätigungsvermerke sind in diesem Prospekt enthalten.

Sofern Finanzinformationen in den nachstehenden Tabellen als „geprüft“ gekennzeichnet sind, bedeutet dies, dass sie den oben genannten geprüften Abschlüssen entnommen wurden. Sofern nicht anders angegeben, wird die Kennzeichnung „ungeprüft“ in den nachstehenden Tabellen zur Kenntlichmachung von Finanzinformationen verwendet, die nicht den oben genannten geprüften Abschlüssen entnommen wurden, sondern stattdessen entweder dem oben genannten ungeprüften verkürzten Konzernzwischenabschluss oder dem Rechnungswesen oder Controlling des Konzerns oder auf der Basis von Zahlen aus den oben genannten Quellen berechnet wurden. Sofern nicht anders angegeben, sind sämtliche Finanzinformationen, die im Text und den nachfolgenden Tabellen dargestellt wurden, in Millionen Euro (EUR Mio.) dargestellt. Einige Finanzinformationen im Text und in den Tabellen (einschließlich der Prozentsätze) in diesem Prospekt wurden gemäß anerkannten kaufmännischen Standards gerundet. Folglich könnten die Gesamtbeträge (Gesamtsummen, Zwischenergebnisse oder Differenzbeträge oder wenn Zahlen ins Verhältnis gesetzt werden) nicht in allen Fällen den entsprechenden gerundeten Beträgen entsprechen, die in den zugrunde liegenden (ungerundeten) und im folgenden Text und den Tabellen aufgeführten Zahlen enthalten sind. Weiterhin ergibt die Summe dieser gerundeten Zahlen in den folgenden Tabellen möglicherweise nicht den exakten, in den jeweiligen Tabellen und Aufstellungen aufgeführten Gesamtbetrag. Sofern nicht anders angegeben, sind im Text und in den Tabellen enthaltene prozentuale Änderungen kaufmännisch auf eine Dezimalstelle gerundet. Sofern nicht anders angegeben, zeigen Finanzinformationen, die in Klammern angegeben werden, an, dass es sich dabei um negative Zahlen handelt. In Bezug auf Finanzinformationen in dieser Zusammenfassung bedeutet ein Strich („–“), dass die betreffende Zahl nicht verfügbar ist oder nicht existiert, während eine Null („0“) bedeutet, dass die betreffende Zahl verfügbar ist, aber auf Null gerundet wurde oder gleich Null ist.

Konzern-Gesamtergebnisrechnung

	Für das Geschäftsjahr zum 31. Dezember			Für den Sechsmonatszeitraum zum 30. Juni	
	2013	**2014**	**2015**	**2015**	**2016**
	(geprüft) (in EUR Mio., sofern nicht anders angegeben)			**(ungeprüft) (in EUR Mio., sofern nicht anders angegeben)**	
Gewinn- und Verlustrechnung					
Umsatzerlöse	99,8	128,2	128,3	71,3	28,6
Veränderung des Bestands an unfertigen Leistungen	(1,2)	0,2	–	0,5	–
Aktivierte Eigenleistungen	2,5	2,9	5,7	2,6	2,3
Sonstige betriebliche Erträge	1,3	4,2	5,0	3,4	0,4
Ergebnis aus der Endkonsolidierung von Tochterunternehmen	(0,0)	452,6	167,0	15,7	30,4
Ertrag aus Sachausschüttungen an Anteilseigner[1]	–	60,6	–	–	–
Aufwendungen für bezogene Waren und bezogene Dienstleistungen[2]	(62,2)	(69,8)	(64,1)	(35,5)	(11,6)
Aufwendungen für Leistungen an Arbeitnehmer	(103,1)	(141,9)	(171,7)	(92,6)	(12,3)
Sonstige betriebliche Aufwendungen	(68,1)	(87,7)	(82,5)	(42,4)	(29,1)
Anteil am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen	1.449,0	75,1	(188,6)	(8,1)	(470,1)
EBITDA	**1.317,8**	**424,4**	**(200,8)**	**(85,0)**	**(461,4)**
Abschreibungen	(2,2)	(2,7)	(7,3)	(3,1)	(2,1)
Wertminderung von langfristigen Vermögenswerten	–	–	(18,1)	–	–
EBIT	**1.315,7**	**421,8**	**(226,1)**	**(88,0)**	**(463,5)**
Finanzergebnis	**91,8**	**12,0**	**29,7**	**44,8**	**(157,1)**
Finanzaufwendungen	(0,9)	(16,5)	(65,4)	(15,6)	(196,1)
Finanzerträge	92,7	28,5	95,1	60,4	39,0
Ergebnis vor Steuern	**1.407,4**	**433,8**	**(196,4)**	**(43,2)**	**(620,5)**
Ertragsteuern	(11,9)	(5,0)	(1,4)	(0,7)	3,3
Periodenergebnis	**1.395,6**	**428,8**	**(197,8)**	**(43,9)**	**(617,3)**
Davon entfallen auf Anteile ohne beherrschenden Einfluss	36,3	34,2	(4,7)	10,4	34,7
Davon entfallen auf Anteilseigner des Mutterunternehmens	1.431,9	463,0	(202,5)	(33,5)	(582,6)
Ergebnis je Aktie (in EUR)	11,93	3,24	(1,24)	(0,21)	(3,53)

	Für das Geschäftsjahr zum 31. Dezember			Für den Sechsmonatszeitraum zum 30. Juni	
	2013	2014	2015	2015	2016
Gesamtergebnisrechnung					
Periodenergebnis	**1.395,6**	**428,8**	**(197,8)**	**(43,9)**	**(617,3)**
Währungsumrechnung ausländischer Geschäftsbetriebe	0,8	(0,5)	(1,1)	0,6	0,5
Nettogewinn aus zur Veräußerung verfügbaren finanziellen Vermögenswerten	–	–	135,3	146,3	0,4
Latente Steuern auf Nettogewinn aus zur Veräußerung verfügbaren finanziellen Vermögenswerten	–	–	(0,2)	–	0,0
Anteil an den Veränderungen im Nettovermögen der assoziierten Unternehmen/Gemeinschaftsunternehmen, die im sonstigen Ergebnis der assoziierten Unternehmen/Gemeinschaftsunternehmen erfasst wurden	8,3	80,2	(99,0)	11,2	17,8
Latente Steuern auf den Anteil des Nettovermögens von assoziierten Unternehmen/Gemeinschaftsunternehmen, die im sonstigen Ergebnis der assoziierten Unternehmen/Gemeinschaftsunternehmen erfasst wurden	(0,1)	(1,2)	1,4	(0,1)	(0,3)
Sonstige Veränderungen im sonstigen Ergebnis	0,3	(0,3)	–	–	–
In Folgeperioden in die Gewinn- und Verlustrechnung umzugliederndes sonstiges Ergebnis	9,2	78,2	36,4	157,9	18,4
Sonstiges Ergebnis nach Steuern	9,2	78,2	36,4	157,9	18,4
Gesamtergebnis nach Steuern	**1.404,8**	**507,0**	**(161,4)**	**114,0**	**(598,8)**
Davon entfallen auf:					
Anteilseigner des Mutterunternehmens	1.440,6	541,5	(165,7)	123,9	(566,1)
Anteilseigner ohne beherrschenden Einfluss	(35,8)	(34,5)	4,4	(9,9)	(32,8)

(1) Am 30. Mai 2014 stimmten die damaligen Anteilseigner der Rocket Internet SE einer Sachdividende an bestimmte Gesellschafter zu. Bei der Ausschüttung der Sachdividende wurde die Differenz zwischen dem Buchwert der Dividendenverbindlichkeit (ermittelt auf Basis des beizulegenden Zeitwerts der ausgeschütteten Vermögenswerte) und dem Buchwert der ausgeschütteten Sachdividende in der Konzern-Gesamtergebnisrechnung ergebniswirksam erfasst.

(2) Im Konzernabschluss für das zum 31. Dezember 2014 endende Geschäftsjahr als erworbene Handelswaren, Rohmaterial und Verbrauchsmaterialien gezeigt.

Konzernbilanz

	Zum 31. Dezember			Zum 30. Juni
	2013	2014	2015	2016
		(geprüft)		(ungeprüft)
		(in EUR Mio.)		(in EUR Mio.)
Sachanlagen	2.4	3.1	2.8	2,7
Immaterielle Vermögenswerte	6.6	9.0	129.1	11,9
Anteile an assoziierten Unternehmen und Gemeinschaftsunternehmen	681,4	1.450,8	1.696,4	1.043,6
Langfristige finanzielle Vermögenswerte	68,4	338,5	1.333,2	1.218,2
Sonstige langfristige nicht finanzielle Vermögenswerte	0,0	4,2	0,5	0,6
Ertragsteueransprüche	0,1	0,1	0,2	0,0
Latente Steueransprüche	0,1	0,0	–	–
Langfristige Vermögenswerte	**758,9**	**1.805,8**	**3.162,2**	**2.277,1**
Vorräte	7,4	11,2	0,7	1,3
Forderungen aus Lieferungen und Leistungen	5,7	20,7	10,1	7,6
Sonstige kurzfristige finanzielle Vermögenswerte	20,7	15,1	41,3	172,6
Sonstige kurzfristige nicht finanzielle Vermögenswerte	3,2	8,0	5,2	4,0
Ertragsteueransprüche	0,9	1,0	0,5	0,5
Zahlungsmittel und Zahlungsmitteläquivalente	413,9	2.053,4	1.758,9	1.682,5
Kurzfristige Vermögenswerte	**451,8**	**2.109,5**	**1.816,7**	**1.868,5**
Als zur Veräußerung gehalten klassifizierte Vermögenswerte	46,3	3,9	17,1	161,8
Bilanzsumme	**1.257,0**	**3.919,1**	**4.996,0**	**4.307,3**
Gezeichnetes Kapital	0,1	153,1	165,1	165,1
Kapitalrücklage	490,7	2.482,6	3.105,5	3.100,1
Eigene Aktien	(0,0)	–	–	–
Gewinnrücklagen	604,2	1.014,8	883,9	309,9
Sonstige Eigenkapitalbestandteile	8,6	87,1	123,8	140,4
Auf die Anteilseigner des Mutterunternehmens entfallendes Eigenkapital	**1.103,6**	**3.737,7**	**4.278,4**	**3.715,5**
Anteilseigner ohne beherrschenden Einfluss	12,8	34,2	73,7	40,7
Summe Eigenkapital	**1.116,3**	**3.771,9**	**4.352,1**	**3.756,2**
Langfristige finanzielle Verbindlichkeiten	1,1	5,3	526,9	436,2
Sonstige langfristige nicht finanzielle Verbindlichkeiten	0,0	0,5	0,4	1,1
Ertragsteuerschulden	–	0,0	–	–
Latente Steuerschulden	3,5	3,6	8,2	4,2
Langfristige Schulden	**4,7**	**9,5**	**535,5**	**441,5**

	Zum 31. Dezember			Zum 30. Juni
	2013	2014	2015	2016
		(geprüft) (in EUR Mio.)		(ungeprüft) (in EUR Mio.)
Verbindlichkeiten aus Lieferungen und Leistungen	23,3	43,7	11,4	11,9
Sonstige kurzfristige finanzielle Verbindlichkeiten	34,2	10,1	11,8	52,0
Sonstige kurzfristige nicht finanzielle Verbindlichkeiten	55,8	71,9	77,3	44,3
Ertragsteuerschulden	12,2	12,2	0,5	1,5
Kurzfristige Schulden	**125,4**	**137,8**	**100,9**	**109,7**
Schulden in Verbindung mit als zur Veräußerung gehaltenen klassifizierten Vermögenswerten	10,6	–	7,5	–
Summe Schulden	**140,7**	**147,3**	**643,9**	**551,2**
Bilanzsumme	**1.257,0**	**3.919,1**	**4.996,0**	**4.307,3**

Ausgewählte Daten der Konzern-Kapitalflussrechnung

	Für das Geschäftsjahr zum 31. Dezember			Für den Sechsmonatszeitraum zum 30. Juni	
	2013	2014	2015	2015	2016
		(geprüft) (in EUR Mio.)		(ungeprüft) (in EUR Mio.)	
Cashflows aus der betrieblichen Tätigkeit	(61,1)	(94,6)	(105,5)	(70,6)	(51,8)
Cashflows aus der Investitionstätigkeit	174,0	(163,5)	(1.347,8)	(1.190,6)	35,9
Cashflows aus der Finanzierungstätigkeit	119,7	1.864,3	1.165,2	598,4	(69,5)
Nettoveränderung von Zahlungsmitteln und Zahlungsmitteläquivalenten	232,6	1.606,3	(288,2)	(662,8)	(85,4)
Wechselkursbedingte Änderungen der Zahlungsmittel und Zahlungsmitteläquivalente(1)	0,1	(0,0)	3,3	0,0	(0,6)
Zahlungsmittel und Zahlungsmitteläquivalente am Anfang der Periode(2)	214,5	447,2	2.053,4	2.053,4	1.768,6
Zahlungsmittel und Zahlungsmitteläquivalente am Ende der Periode(2)	447,2	2.053,4	1.768,6	1.390,7	1.682,5

(1) Im Konzernabschluss für das zum 31. Dezember 2014 endende Geschäftsjahr als wechselkursbedingte Änderungen der Zahlungsmittel und Zahlungsmitteläquivalente gezeigt.

(2) Einschließlich von Zahlungsmitteln und Zahlungsmitteläquivalenten, die in den als zur Veräußerung gehalten klassifizierten Vermögenswerten enthalten sind in Höhe von EUR 33,4 Million zum 31. Dezember 2013 und EUR 9,7 Millionen zum 31. Dezember 2015.

Segmente

Wir haben fünf berichtspflichtige Segmente identifiziert: Home & Living, Fashion, General Merchandise, Food 1 und Food 2. Darüber hinaus sind die Geschäftstätigkeit der Firmenzentrale, Gemeinschaftsunternehmen und weitere Netzwerkunternehmen, die nicht gesondert berichtspflichtig sind, im Segment Sonstiges zusammengefasst.

In dem geprüften Konzernabschluss der Rocket Internet SE für das zum 31. Dezember 2014 endende Geschäftsjahr war das berichtspflichtige Segment Fashion in die zwei separaten Segmente, E-Commerce Fashion und E-Commerce Fashion 2, aufgeteilt.

Die nachfolgende Tabelle stellt für die angegebenen Stichtage und Zeiträume Segmentinformationen für die oben genannten fünf berichtspflichtigen Segmente dar. Die Segmentinformationen für das zum 31. Dezember 2014 endende Geschäftsjahr wurden den angepassten Vergleichsinformationen der Segmentberichterstattung des geprüften Konzernabschlusses der Rocket Internet SE für das zum 31. Dezember 2015 endende Geschäftsjahr entnommen. Zusätzlich zur Zusammenfassung der berichtspflichtigen Segmente E-Commerce Fashion 1 und E-Commerce Fashion 2 zu einem berichtspflichtigen Segment Fashion wurden die Vergleichsinformationen für das zum 31. Dezember 2014 endende Geschäftsjahr des Segments Sonstiges und der Überleitungsspalte rückwirkend für in 2015 veräußerte, eingestellte oder erstmalig berichtspflichtige Netzwerkunternehmen in der Segmentberichterstattung des Konzernabschlusses der Rocket Internet SE für das zum 31. Dezember 2015 endende Geschäftsjahr angepasst. Die Segmentinformationen für das zum 31. Dezember 2013 endende Geschäftsjahr wurden den nicht angepassten Vergleichsinformationen der Segmentberichterstattung des geprüften Konzernabschlusses der Rocket Internet SE für das zum 31. Dezember 2014 endende Geschäftsjahr entnommen oder daraus abgeleitet.

	Für das Geschäftsjahr zum 31. Dezember			**Für den Sechsmonatszeitraum zum 30. Juni**	
	2013	**2014**	**2015**	**2015**	**2016**
	(geprüft, sofern nicht anders angegeben)			**(ungeprüft)**	
	(in EUR Mio.)			**(in EUR Mio.)**	
Umsatz	**99,8**	**128,2**	**128,3**	**71,3**	**28,6**
Home & Living(1)	203,2	343,5	452,8	226,4	241,4
Fashion(2)	386,1(3)	627,5	930,1	418,3	455,8
General Merchandise(4)	132,9	243,1	449,9	221,4	122,7
Food 1(5)	14,2	69,6	305,0	112,5	291,5
Food 2(6)	0,7	6,7	31,5	13,4	21,7
Sonstiges	126,3	130,0	201,0	89,0	87,8
Überleitung(7)	(763,6)	(1.292,2)	(2.242,0)	(1.009,7)	(1.192,2)
EBITDA	**1.317,8**	**424,4**	**(200,8)**	**(85,0)**	**(461,4)**
Home & Living(1)	(84,3)	(114,9)	(131,7)	(75,0)	(37,6)
Fashion(2)	(224,1)(3)	(250,3)	(318,6)	(160,9)	(82,3)
General Merchandise(4)	(117,4)	(227,8)	(475,9)	(213,3)	(132,0)
Food 1(5)	(6,5)	(15,1)	(109,5)	(22,3)	(49,2)
Food 2(6)	(13,3)	(38,5)	(108,7)	(49,6)	(34,6)
Sonstiges	1.294,1	(89,4)	(229,5)	(75,4)	30,6
Überleitung(7)	469,3	1.160,6	1.173,0	511,5	(156,3)
Zahlungsmittel und Zahlungsmitteläquivalente	**413,9**	**2.053,4**	**1.758,9**	**1.390,2**	**1.682,5**
Home & Living(1)	63,7	50,4	64,6	136,6	48,3
Fashion(2)	310,0(3)	153,4	75,2	75,7	120,2
General Merchandise(4)	214,9	242,4	111,0	240,7	111,9
Food 1(5)	3,8	19,8	109,2	118,1	132,6
Food 2(6)	8,7	44,5	97,9	153,3	72,1
Sonstiges	427,1	2.114,6	1.901,5	1.474,0	1.033,5
Überleitung(7)	(614,4)	(571,7)	(600,5)	(808,1)	163,9

(1) Im Konzernabschluss für das zum 31. Dezember 2014 endende Geschäftsjahr als E-Commerce Home & Living gezeigt.

(2) Im Konzernabschluss für das zum 31. Dezember 2014 endende Geschäftsjahr als E-Commerce Fashion 1 und E-Commerce Fashion 2 (zusammen E-Commerce Fashion) gezeigt. Im Konzernabschluss für das zum 31. Dezember 2015 endende Geschäftsjahr wurden die berichtspflichtigen Segmente E-Commerce Fashion 1 und E-Commerce Fashion 2 zu einem Segment zusammengefasst.

(3) Ungeprüft.

(4) Im Konzernabschluss für das zum 31. Dezember 2014 endende Geschäftsjahr als E-Commerce General Merchandise gezeigt.
(5) Im Konzernabschluss für das zum 31. Dezember 2014 endende Geschäftsjahr als E-Commerce Food gezeigt.
(6) Im Konzernabschluss für das zum 31. Dezember 2014 endende Geschäftsjahr als Marketplace gezeigt.
(7) Für das zum 31. Dezember 2015 endende Geschäftsjahr enthält die Überleitungsspalte die Eliminierung von Umsatzerlösen in Höhe von EUR 2.272,2 Millionen und Anpassungen des EBITDA in Höhe von EUR 1.304,5 Millionen für nicht konsolidierte Netzwerkunternehmen sowie Effekte aus Konsolidierungsmaßnahmen. Für das zum 31. Dezember 2014 endende Geschäftsjahr enthält die Überleitungsspalte die Eliminierung von Umsatzerlösen in Höhe von EUR 1.332,3 Millionen und Anpassungen des EBITDA in Höhe von EUR 713,2 Millionen für nicht konsolidierte Netzwerkunternehmen sowie Effekte aus Konsolidierungsmaßnahmen. Für das zum 31. Dezember 2013 endende Geschäftsjahr enthält die Überleitungsspalte die Eliminierung von Umsatzerlösen in Höhe von EUR 763,6 Millionen und Anpassungen der betrieblichen Aufwendungen in Höhe von EUR 1.232,9 Millionen für nicht konsolidierte Netzwerkunternehmen sowie Effekte aus Konsolidierungsmaßnahmen. Für den zum 30. Juni 2016 endenden Sechsmonatszeitraum enthält die Überleitungsspalte die Eliminierung von Umsatzerlösen in Höhe von EUR 1.202,3 Millionen und Anpassungen des EBITDA in Höhe von EUR 409,7 Millionen für nicht konsolidierte Netzwerkunternehmen sowie Effekte aus Konsolidierungsmaßnahmen. Für den zum 30. Juni 2015 endenden Sechsmonatszeitraum enthält die Überleitungsspalte die Eliminierung von Umsatzerlösen in Höhe von EUR 1.022,7 Millionen und Anpassungen des EBITDA in Höhe von EUR 583,1 Millionen für nicht konsolidierte Netzwerkunternehmen sowie Effekte aus Konsolidierungsmaßnahmen.

Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses des Emittenten.

Die nachstehenden wesentlichen Änderungen der Betriebsergebnisse des Konzerns traten in den zum 30. Juni 2016 und 30. Juni 2015 endenden Sechsmonatszeiträumen und den Geschäftsjahren 2015, 2014 und 2013 ein.

Zum 30. Juni 2015 und 2016 endende Sechsmonatszeiträume

Die Umsatzerlöse sanken erheblich um 59,9 % von EUR 71,3 Millionen in dem zum 30. Juni 2015 endenden Sechsmonatszeitraum auf EUR 28,6 Millionen in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum, vorrangig aufgrund von Entkonsolidierungen infolge von Änderungen im Konsolidierungsstatus, Verkäufen und der Abwicklung vollkonsolidierter Tochtergesellschaften. Darüber hinaus sanken die aus dem Erbringen von Dienstleistungen generierten Umsatzerlöse, wovon hauptsächlich Umsatzerlöse aus Beratungsdienstleistungen, die für Unternehmen in unserem Netzwerk erbracht wurden, erfasst sind, aufgrund der Übertragung von Funktionen und Mitarbeitern von dem Konzern auf nichtkonsolidierte Unternehmen in unserem Netzwerk sowie aufgrund von Veräußerungen, Nichtfortführungen und verringerter Geschäftstätigkeit nichtkonsolidierter Unternehmen in unserem Netzwerk.

Das EBITDA sank erheblich von einem negativen Betrag von EUR 85,0 Millionen in dem zum 30. Juni 2015 endenden Sechsmonatszeitraum auf einen negativen Betrag von EUR 461,4 Millionen in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum. Dieser Rückgang war überwiegend auf eine Verringerung des Anteils am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen aufgrund von Abwertungen sowie auf einen Rückgang der Umsatzerlöse zurückzuführen, die nur teilweise ausgeglichen wurden durch einen Rückgang der Aufwendungen für Leistungen an Arbeitnehmer, einen Rückgang der Aufwendungen für bezogene Waren und bezogene Dienstleistungen und eine Ergebnissteigerung aufgrund der Entkonsolidierung von Tochtergesellschaften.

Die Cashflows aus der betrieblichen Tätigkeit erhöhten sich um 26,6 % von einem Mittelabfluss von EUR 70,6 Millionen in dem zum 30.

Juni 2015 endenden Sechsmonatszeitraum auf einen Mittelabfluss von EUR 51,8 Millionen in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum. In beiden Zeiträumen beruhte der Mittelabfluss aus betrieblicher Tätigkeit überwiegend auf durch konsolidierte Tochtergesellschaften erlittene Anlaufverluste. Der geringere Mittelabfluss in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum verglichen mit dem zum 30. Juni 2015 endenden Sechsmonatszeitraum beruhte überwiegend auf der Entkonsolidierung von Tochtergesellschaften, die teilweise aufgewogen wurde durch eine Erhöhung des Working Capital und höhere Mittelabflüsse für gezahlte Zinsen.

Die Summe des Eigenkapitals verringerte sich um 13,7 % von EUR 4.352,1 Millionen zum 31. Dezember 2015 auf EUR 3.756,2 Millionen zum 30. Juni 2016. Der Rückgang beruhte im Wesentlichen auf einem negativen Periodenergebnis von EUR 617,3 Millionen in dem zum 30. Juni 2016 endenden Sechsmonatszeitraum, überwiegend zurückzuführen auf eine Verringerung des Anteils am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen aufgrund von Abwertungen, der teilweise ausgeglichen wurde durch das sonstige Ergebnis nach Steuern von EUR 18,4 Millionen. Weitere Veränderungen des Eigenkapitals resultieren aus der Erhöhung der Rücklagen für anteilsbasierte Vergütungen mit Ausgleich durch Eigenkapitalinstrumente, an Anteilseigner ohne beherrschenden Einfluss ausgeschüttete Dividenden sowie Veränderungen im Konsolidierungskreis und anderen Veränderungen bei den Anteilen ohne beherrschenden Einfluss.

Geschäftsjahre 2014 und 2015

Im Geschäftsjahr 2015 blieben die Umsatzerlöse stabil bei EUR 128,3 Millionen im Vergleich zu EUR 128,2 Millionen im Geschäftsjahr 2014. Die Umsatzerlöse aus dem Verkauf von Gütern sanken im Geschäftsjahr 2015 um 19,1 % im Vergleich zum Geschäftsjahr 2014, was durch einen Anstieg der Umsatzerlöse aus dem Erbringen von Dienstleistungen von 39,6 % nahezu ausgeglichen wurde.

Das EBITDA veränderte sich wesentlich von einem positiven Betrag von EUR 424,4 Millionen im Geschäftsjahr 2014 zu einem negativen Betrag von EUR 200,8 Millionen im Geschäftsjahr 2015. Die Veränderung beruhte im Wesentlichen auf niedrigeren Erträgen aus der Endkonsolidierung von Tochterunternehmen und dem Anteil am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen. Zusätzlich stiegen die Aufwendungen für Leistungen an Arbeitnehmer an.

Im Geschäftsjahr 2015 verringerten sich die Cashflows aus der betrieblichen Tätigkeit um 11,5 % von einem Mittelabfluss von EUR 94,6 Millionen im Geschäftsjahr 2014 zu einem Mittelabfluss von EUR 105,5 Millionen. Diese Veränderung beruhte im Wesentlichen auf einem Anstieg der gezahlten Ertragsteuern und einer Erhöhung des Working Capital.

Die Summe des Eigenkapitals erhöhte sich von EUR 3.771,9 Millionen zum 31. Dezember 2014 um 15,4 % auf EUR 4.352,1 Millionen zum 31. Dezember 2015. Dieser Anstieg beruhte im Wesentlichen auf einer Erhöhung der Kapitalrücklage um EUR 622,8 Millionen. Eine Kapitalerhöhung aus genehmigtem Kapital im Februar 2015 führte zu einer Erhöhung der Kapitalrücklage um EUR 574,5 Million. Die Ausgabe einer Wandelschuldverschreibung im Juli 2015 führte zu einer Erhöhung der Kapitalrücklage um EUR 37,5 Millionen.

Geschäftsjahre 2013 und 2014

Im Geschäftsjahr 2014 stiegen die Umsatzerlöse um 28,5 % von EUR 99,8 Millionen im Geschäftsjahr 2013 auf EUR 128,2 Millionen im Geschäftsjahr 2014, da die Umsatzerlöse sowohl aus dem Verkauf von Gütern als auch aus dem Erbringen von Dienstleistungen anstiegen.

Das EBITDA verringerte sich erheblich von einem positiven Betrag von EUR 1.317,8 Millionen im Geschäftsjahr 2013 auf einen positiven Betrag von EUR 424,4 Millionen im Geschäftsjahr 2014. Der Rückgang ist hauptsächlich auf einen geringeren Anteil am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen zurückzuführen, da die Veräußerung nahezu aller Aktien des Konzerns an Zalando SE im Geschäftsjahr 2013 EUR 1.123,0 Millionen Gewinn zum Anteil am Ergebnis assoziierter Unternehmen und Gemeinschaftsunternehmen beitrug und sich keine vergleichbare Transaktion im Geschäftsjahr 2014 ereignete. Zusätzlich stiegen die Aufwendungen aus Leistungen an Arbeitnehmer an. Diese Entwicklungen wurden nur teilweise durch den erheblichen Anstieg des Ergebnisses aus der Endkonsolidierung von Tochterunternehmen kompensiert.

Im Geschäftsjahr 2014 verringerten sich die Cashflows aus der betrieblichen Tätigkeit um 54,8 % von einem Mittelabfluss von EUR 61,1 Million im Geschäftsjahr 2013 zu einem Mittelabfluss von EUR 94,6 Millionen. Diese Veränderung beruhte im Wesentlichen auf einer Erhöhung des Working Capital.

Die Summe des Eigenkapitals erhöhte sich von EUR 1.116,3 Millionen zum 31. Dezember 2013 um EUR 2.655,6 Millionen auf EUR 3.771,9 Millionen zum 31. Dezember 2014. Der Hauptgrund für diesen Anstieg lag in der Erhöhung der Kapitalrücklage um EUR 1.991,9 Millionen, im Wesentlichen aufgrund des Aufgelds, das im Zusammenhang mit dem Börsengang der Rocket Internet SE im Oktober 2014 realisiert wurde, sowie mehrerer Kapitalerhöhungen im August 2014.

Neueste Entwicklungen

Im Juli 2016 hat die Global Fashion Group eine Finanzierungsrunde bekanntgegeben, die von bestehenden Gesellschaftern gezeichnet wurde, darunter Rocket Internet SE und RICP. Rocket Internet hat im

Juli 2016 EUR 18,9 Millionen in bar investiert und hat außerdem Aktien aus der Umwandlung von bestehenden wandelbaren Vorzugsaktien erhalten. Nach der Transaktion ist die Global Fashion Group mit EUR 1,03 Milliarden bewertet (nach Zufluss der Investitionen), verglichen mit einer Bewertung (nach Zufluss der Investitionen) von EUR 3,04 Milliarden vor dieser Finanzierungsrunde. Der unmittelbare und mittelbare Anteil der Rocket Internet liegt nach der Transaktion bei 20,6 % (durchgerechnete Beteiligungsanteile einschließlich RICP). Nach Vollendung der letzten Einbringungsschritte, die im Zusammenhang mit der Errichtung der Global Fashion Group vereinbart wurden, wird sich der unmittelbare und mittelbare Anteil von Rocket Internet nach der Transaktion auf 20,4 % verringern (durchgerechnete Beteiligungsanteile einschließlich RICP).

Nach einer strategischen Überprüfung der Geschäftsaktivitäten in Indien („**Jabong**") beschloss der Verwaltungsrat der Global Fashion Group, dass der Situation von Jabong am besten durch einen Unternehmenszusammenschluss mit einem lokalen Marktteilnehmer Rechnung getragen würde. Im Juli 2016 schloss die Global Fashion Group eine verbindliche Vereinbarung zum Verkauf von Jabong an FK Myntra Holdings Private Limited, ein Mitglied der Flipkart Gruppe, gegen eine Barzahlung von USD 70 Millionen ab. Die Transaktion wurde am 2. August 2016 abgeschlossen.

Im August 2016 nahm die New Tin Linio II GmbH (gemeinsam mit den Gesellschaften, an denen sie einen direkten oder indirekten Anteil hält und die unter der Marke Linio operieren, „**Linio**") bis zu EUR 50 Millionen in einer neuen Finanzierungsrunde auf. In dieser Finanzierungsrunde wurde Linio mit EUR 100 Millionen vor der Investition (vor Zufluss der Investitionen, aber einschließlich vereinbarter Einbringungsvorgänge) bewertet, was rund einem Viertel der Bewertung von Linio unmittelbar vor dieser Finanzierungsrunde entspricht. Rocket Internet hat an der laufenden Finanzierungsrunde von Linio nicht teilgenommen. Dadurch wird sich der Anteil der Rocket Internet SE an Linio auf vollständig verwässerter Basis nach der Ausgabe von Anteilen zum Verwässerungsschutz an vorrangige Investoren und unter Annahme der Inanspruchnahme der vollen Investitionssumme von EUR 50 Millionen auf 4,9 % verringern.

Im September 2016 nahm Home24 EUR 20 Millionen in einer Finanzierungsrunde auf. In dieser Finanzierungsrunde wurde Home24 mit EUR 420 Millionen (nach Zufluss der Investitionen) bewertet, verglichen mit einer Bewertung von EUR 981 Millionen (nach Zufluss der Investitionen) vor dieser Finanzierungsrunde. Rocket Internet nahm an der aktuellen Finanzierungsrunde von Home24 teil. Im Ergebnis beträgt der unmittelbare und mittelbare Anteil der Rocket Internet SE an Home24 42,9 % (durchgerechneter Beteiligungsanteil einschließlich RICP).

Im Februar 2016 beschloss die Rocket Internet SE bis zu EUR 150 Millionen für ein Programm zum Rückkauf von Wandelschuldverschreibungen, die von der Rocket Internet SE im Juli 2015 begeben worden waren, aufzuwenden. Per September 2016 hat die Rocket Internet SE nahezu den gesamten vorgesehenen Betrag aufgewendet und Wandelschuldverschreibungen mit einem

	Gesamtnennwert von EUR 164 Millionen zurückgekauft. Rocket Internet SE gab bekannt, dass zusätzliche EUR 85 Millionen bis 30. September 2017 für den Rückkauf von Wandelschuldverschreibungen aufgewendet werden können. Außerhalb des vorstehend Beschriebenen gab es seit 30. Juni 2016 keine maßgebliche Veränderung unserer Finanzlage oder Handelsposition.
B.8 Ausgewählte wesentliche Pro-forma-Finanzinformationen.	Entfällt. Die Rocket Internet SE hat keine Pro-forma-Finanzinformationen erstellt.
B.9 Gewinnprognosen oder –schätzungen.	Entfällt. Die Rocket Internet SE hat keine Gewinnprognose oder -schätzung abgegeben.
B.10 Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.	Entfällt. Die in diesem Prospekt enthaltenen geprüften historischen Finanzinformationen wurden jeweils mit uneingeschränkten Bestätigungsvermerken versehen.
B.11 Ausreichen des Geschäftskapitals des Emittenten zur Erfüllung bestehender Anforderungen.	Entfällt. Die Rocket Internet SE ist der Ansicht, dass der Konzern in der Lage ist, zumindest alle in den kommenden zwölf Monaten fällig werdenden Finanzverbindlichkeiten zu erfüllen.

C – Wertpapiere

C.1 Art und Gattung der angebotenen und/oder zum Handel zuzulassenden Wertpapiere.	Auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien), jeweils mit einem anteiligen Betrag des Grundkapitals von EUR 1,00 und voller Dividendenberechtigung ab dem 1. Januar 2016.
Wertpapierkennung.	International Securities Identification Number (ISIN): DE000A12UKK6 Wertpapierkennnummer (WKN): A12UKK Common Code: 111314110 Ticker Symbol: RKET
C.2 Währung der Wertpapieremission.	Euro.
C.3 Zahl der ausgegebenen und voll eingezahlten Aktien.	165.140.790 auf den Inhaber lautende Stammaktien ohne Nennbetrag (Stückaktien). Das Grundkapital ist vollständig eingezahlt.
Nennwert.	Jede Aktie der Rocket Internet SE repräsentiert einen anteiligen Betrag des Grundkapitals von EUR 1,00.
C.4 Beschreibung der mit den	Jede Aktie der Rocket Internet SE berechtigt zu einer Stimme in der

	Wertpapieren verbundenen Rechte.	Hauptversammlung der Rocket Internet SE. Es bestehen keine Stimmrechtsbeschränkungen. Die Aktien sind ab dem 1. Januar 2016 voll dividendenberechtigt.
C.5	**Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.**	Entfällt. Die Aktien der Rocket Internet SE sind in Übereinstimmung mit den gesetzlichen Bestimmungen für auf den Inhaber lautende Stammaktien frei übertragbar. Es bestehen keine Verfügungsverbote oder -beschränkungen hinsichtlich der Übertragbarkeit der Aktien der Rocket Internet SE.
C.6	**Antrag auf Zulassung der Wertpapiere zum Handel an einem geregelten Markt, und Nennung aller geregelten Märkte, an denen die Wertpapiere gehandelt werden sollen.**	Die Rocket Internet SE wird die Zulassung der Aktien der Rocket Internet SE an der Frankfurter Wertpapierbörse mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) sowie im regulierten Markt an der Luxemburger Wertpapierbörse (*Bourse de Luxembourg*) am oder um den 23. September 2016 beantragen. Der Zulassungsbeschluss für die Einbeziehung in den Handel an beiden Börsen wird voraussichtlich am 26. September 2016 verkündet. Die Notierungsaufnahme der Aktien der Rocket Internet SE im regulierten Markt an der Frankfurter Wertpapierbörse und der Luxemburger Wertpapierbörse (*Bourse de Luxembourg*) wird für den 27. September 2016 erwartet.
C.7	**Beschreibung der Dividendenpolitik.**	Die Rocket Internet SE beabsichtigt derzeit, alle verfügbaren Mittel und zukünftigen Gewinne, sofern vorhanden, zurückzuhalten, um ihren Unternehmen mehr Eigenkapital zur Verfügung zu stellen und so ihre Geschäftstätigkeit zu unterstützen und sie für weiteres Wachstum zu positionieren. Die Rocket Internet SE beabsichtigt gegenwärtig nicht, in absehbarer Zukunft Dividenden zu zahlen. Jede zukünftige Festsetzung von Dividendenzahlungen wird in Übereinstimmung mit dem anwendbaren Recht getroffen und wird u.a. vom Ergebnis der Geschäftstätigkeit, der finanziellen Situation, vertraglichen Beschränkungen und dem Kapitalbedarf abhängen. Die Fähigkeit der Rocket Internet SE, zukünftig Dividenden zahlen zu können, kann durch die Bedingungen zukünftig ausgegebener Fremdkapitalinstrumente oder mit Vorzügen ausgestatteten Wertpapieren beschränkt sein.

D – Risiken

D.1	**Zentrale Angaben zu den zentralen Risiken, die dem Emittenten oder seiner Branche eigen sind.**	Eine Investition in Aktien der Rocket Internet SE unterliegt Risiken. Der Preis der Aktien der Rocket Internet SE könnte sich verringern, falls eines dieser Risiken tatsächlich eintritt, sodass Investoren einen Teil oder sogar ihr gesamtes Investment verlieren könnten. Die folgenden Risiken könnten sich – alleine oder zusammen mit weiteren Risiken oder Unsicherheiten, die uns derzeit unbekannt sind oder die wir für unwesentlich halten – erheblich nachteilig auf unsere Geschäftstätigkeit, Finanzlage, Cashflows, Ertragslage sowie den Wert der direkten und indirekten Beteiligungen der Rocket Internet SE an den Gesellschaften des Rocket-Internet-Netzwerks auswirken. **Risiken im Zusammenhang mit der Rocket Internet SE und**

unseren Unternehmen im Rocket-Internet-Netzwerk

- Wir veröffentlichen in diesem Prospekt Bewertungen, die von den Investitionen in die Unternehmen im Rocket-Internet-Netzwerk basierend auf den letzten Finanzierungsrunden und nicht aus unseren Konzernabschlüssen abgeleitet sind. Diese Bewertungen reflektieren möglicherweise nicht die vergangenen, gegenwärtigen oder zukünftigen beizulegenden Zeitwerte der Unternehmen im Rocket-Internet-Netzwerk und lassen möglicherweise nicht auf den Gesamtwert der Rocket Internet SE schließen. Daher sollten potenzielle Anleger diesen Bewertungen nicht unangemessen vertrauen.

- Wir sind zu einer großen Unternehmensorganisation mit einer erheblichen Anzahl von Unternehmen angewachsen, die in erster Linie in fünf Branchen und in mehr als 100 Ländern aktiv ist. Es besteht keine Garantie, dass wir unsere bisherigen Wachstumsraten aufrechterhalten können, auch aufgrund gestiegenen Wettbewerbs, oder dass wir weiterhin in der Lage sind, mit zukünftigem Wachstum umzugehen.

- Nahezu alle Unternehmen im Rocket-Internet-Netzwerk weisen nur eine begrenzte Dauer ihrer bisherigen Geschäftstätigkeit auf, verzeichnen derzeit erhebliche Verluste, haben einen negativen operativen Cashflow, erfordern einen hohen Kapitaleinsatz und werden möglicherweise nie gewinnbringend sein oder Zahlungsmittel generieren.

- Unsere Geschäftstätigkeit könnte beeinträchtigt und unser Wachstum könnte beendet werden, wenn es uns nicht gelingt, zusätzliches Eigenkapital zu beschaffen oder Fremdkapital zu günstigen Bedingungen zu leihen.

- Die Bewertung von Investitionen in relativ junge Gesellschaften, zu denen die meisten der Vermögenswerte des Konzerns zählen, unterliegt erheblicher Unsicherheit und Schwankungen.

- Die meisten Gesellschafterverträge in Bezug auf Unternehmen des Rocket-Internet-Netzwerks enthalten Vorzugsregelungen für Liquidationserlöse zugunsten anderer Investoren, die zu einer überproportionalen Verringerung des Werts der direkten und indirekten Beteiligungen der Rocket Internet SE an diesen Unternehmen sowie zu unterproportional geringen Exit-Erlösen für uns führen könnten. Wenn spätere Finanzierungsrunden zu einer geringeren Bewertung durchgeführt werden, kann dies zudem aufgrund von Schutzmechanismen hinsichtlich derartiger Finanzierungsrunden zugunsten anderer Anteilseigner des jeweiligen Unternehmens in unserem Netzwerk zu einer Verwässerung der unmittelbaren und mittelbaren Beteiligungen der Rocket Internet SE an Unternehmen im Rocket-Internet-Netzwerk führen. Darüber hinaus enthalten eine Reihe unserer Gesellschaftsverträge sogenannte Mitverkaufsverpflichtungen, die die größeren Anteilseigner des jeweiligen Unternehmens berechtigen, die anderen Anteilseigner zum Verkauf ihrer Anteile innerhalb derselben Transaktion und zu denselben Bedingungen zu verpflichten.

- Da die Rocket Internet SE die meisten Unternehmen im Rocket-Internet-Netzwerk nicht beherrscht, sind diese in ihrer Geschäftstätigkeit unabhängig und könnten Geschäftsentscheidungen treffen, die weder im Interesse der Rocket Internet SE noch in ihrem eigenem Interesse liegen oder mit denen die Rocket Internet SE nicht einverstanden ist und die den Wert der unmittelbaren oder mittelbaren Beteiligungen der Rocket Internet SE schmälern könnten.
- Unsere weltweite Expansion, insbesondere in eine große Anzahl von Schwellenländern, setzt uns politischen, wirtschaftlichen, rechtlichen und anderen Risiken und Unsicherheiten aus.
- Unsere Märkte sind möglicherweise nicht so attraktiv wie wir derzeit annehmen und könnten sich entgegen unserer Erwartungen entwickeln.
- Wir werden auf unseren Zielmärkten, aufgrund der beachtlichen operativen Komplexität, die wir überwinden müssen, einschließlich des Aufwands zur Aufrechterhaltung der erheblichen Logistik-, Liefer- und Zahlungsinfrastruktur, vielleicht niemals profitabel sein.
- Die Rocket Internet SE wurde von Oliver Samwer, ihrem derzeitigen Vorstandsvorsitzenden, mitgegründet und wir sind weiterhin auf seine Führung angewiesen. Interessenkonflikte könnten zwischen Oliver Samwer und uns entstehen, und es ist nicht sicher, dass Herr Samwer uns weiterhin seine Zeit und Energie widmen oder widmen können wird.
- Interessenkonflikte könnten zwischen uns und gegenwärtigen oder früheren Unternehmen des Rocket-Internet-Netzwerks oder auch zwischen diesen Unternehmen entstehen.
- Unser zukünftiges Wachstum wird von unserer Fähigkeit abhängen, zusätzliche bewährte Internetgeschäftskonzepte ausfindig zu machen, um auf deren Grundlage neue Unternehmen zu gestalten und diese Konzepte in erfolgreiche Unternehmen umzuwandeln.
- Die Rocket Internet SE hat erhebliche Investitionen in bereits bestehende Internetunternehmen getätigt und könnte hohe Beträge für Akquisitionen und Investitionen einsetzen, die sich im Ergebnis als erfolglos erweisen könnten.
- Die Unternehmen im Rocket-Internet-Netzwerk sind möglicherweise hohem Wettbewerb ausgesetzt und könnten scheitern, wenn ihre Wettbewerber überlegene Angebote machen oder die Unternehmen des Rocket-Internet-Netzwerks sich nicht den Veränderungen des Marktumfelds anpassen.
- Möglicherweise werden wir zum Ziel wettbewerbswidriger, schikanöser oder sonstiger schädigender Verhaltensweisen von Seiten Dritter, einschließlich von Beschwerden bei Aufsichtsbehörden, negativen Blogeinträgen sowie der öffentlichen Verbreitung negativer Bewertungen unserer Geschäftstätigkeit, die unser Ansehen schädigen und dazu führen könnten, dass wir Marktanteile, Kunden oder Umsatzerlöse verlieren.

- Um unsere Geschäftstätigkeit und die Unternehmen im Rocket-Internet-Netzwerk auszubauen und zu betreiben, sind wir auf talentierte, erfahrene und engagierte Mitarbeiter angewiesen, und wenn es uns nicht gelingt, Mitarbeiter einzustellen, zu halten, zu führen und zu motivieren oder wenn unser neues Personal nicht die erwarteten Leistungen erbringt, sind wir möglicherweise nicht in der Lage, effizient zu wachsen.
- Unsere Technologieplattform und unsere Infrastruktur sind für uns unverzichtbar und jede Störung bei der Aufrechterhaltung einer zufriedenstellenden Leistung unserer Technologieplattform und Infrastruktur könnte unsere Geschäftstätigkeit und unser Ansehen wesentlich beeinträchtigen.
- Unsere Geschäftstätigkeit könnte gestört werden, wenn wir nicht in der Lage sind, unsere Technologieplattform auszubauen, um gestiegener Nachfrage Rechnung zu tragen.
- Versuche Dritter, unsere Netzwerk- oder Datensicherheitsmaßnahmen zu umgehen, oder das Vorhandensein etwaiger sonstiger Sicherheitslücken könnten unser Ansehen schädigen und unsere Geschäftstätigkeit beeinträchtigen.
- Die Geschäftsergebnisse der Rocket Internet SE sind möglicherweise unbeständig, was zu Schwankungen ihres Aktienkurses führen könnte.
- Die geprüften Konzernabschlüsse der Rocket Internet SE umfassen nicht vollständig die Geschäftsergebnisse unserer nicht-konsolidierten Gesellschaften.

Rechtliche und behördliche Risiken

- Die staatliche Regulierung des Internet und E-Commerce verändert sich in den Ländern, in denen wir geschäftstätig sind, und könnte sich in eine für uns unvorteilhafte Richtung entwickeln und wir sind möglicherweise nicht in der Lage, die einschlägigen Bestimmungen einzuhalten.
- Die Geschäftstätigkeit in über 100 Ländern weltweit bedeutet, dass wir zahlreiche komplexe und manchmal sich widersprechende gesetzliche und behördliche Vorgaben einzuhalten haben.
- Die Unternehmen im Rocket-Internet-Netzwerk könnten der Haftung gegenüber ihren Kunden ausgesetzt sein und Kunden verlieren, wenn sich ihre Produkte oder Dienstleistungen als fehler- oder mangelhaft erweisen oder Störungen bei der Erbringung von Dienstleistungen auftreten.
- Die Unternehmen im Rocket-Internet-Netzwerk könnten Anschuldigungen und Klagen hinsichtlich des Inhalts ihrer Internetseiten ausgesetzt sein oder es könnten Vorwürfe erhoben werden, dass Eintragungen auf ihren Internetseiten raubkopiert, gefälscht oder rechtswidrig sind. Wir könnten Gegenstand von Gerichtsverfahren werden, die unsere Geschäftstätigkeit stören

oder schädigen könnten.

- Wir sind möglicherweise nicht in der Lage, unsere Rechte an geistigem Eigentum angemessen zu schützen oder uns könnte vorgeworfen werden, dass wir die Rechte an geistigem Eigentum Dritter verletzen.
- Da wir eine große Anzahl von sehr ähnlichen Gesellschafterverträgen verwenden, könnte – wenn ein Gericht einen oder mehrere unserer standardisierten Gesellschafterverträge für ungültig erklären würde – die Wirksamkeit einer Vielzahl unserer Gesellschafterverträge gefährdet sein; zudem halten wir möglicherweise nicht alle Regelungen unserer verschiedenen Gesellschafterverträge und anderer Verträge ein.

Steuerrisiken

- Als ein schnell wachsendes und international expandierendes Unternehmensnetzwerk, das eine ganze Reihe von bedeutsamen Exits, Fusionen und Umstrukturierungen in schneller Folge durchlebt hat, sind wir mit ungeklärten Steuerfragen konfrontiert. Es ist für uns schwieriger als für etablierte Unternehmen, mögliche Steuerrisiken einzuschätzen, die sich aus ungeprüften Geschäftsjahren ergeben. Daher könnte es in unserem Fall wahrscheinlicher als für etablierte Unternehmen sein, dass wir erhebliche zusätzliche Steuern im Anschluss an zukünftige Steuerprüfungen und laufende Steuerveranlagungen zahlen müssen.
- Sollten die Steuerbehörden davon ausgehen, dass die Rocket Internet SE der Regelung über kurzfristige Veräußerungsgewinne unterfällt, wären die seit der letzten Steuerprüfung erhaltenen Dividendenerträge und Veräußerungsgewinne vollständig steuerpflichtig.
- Einige unserer grenzüberschreitenden Geschäftsaktivitäten könnten unvorhergesehene Steuernachteile auslösen.
- Die Abspaltung von Zalando SE und die anschließende Einziehung von Aktien der Rocket Internet SE, die von der Rocket Beteiligungs GmbH gehalten wurden, könnten zu einer erheblichen zusätzlichen Steuerbelastung führen.
- Der organisatorische Aufbau unserer Abteilung zur Einhaltung der Steuervorschriften entsprach möglicherweise nicht in jedem Stadium unserer Entwicklung den wachsenden Anforderungen eines weltweit expandierenden Unternehmens.
- Wir könnten zur Zahlung zusätzlicher Steuern gezwungen sein, wenn unsere Verrechnungspreise innerhalb des Konzerns nicht den vorherrschenden Marktpreisen entsprechen. Sollten unsere Unternehmen nicht in der Lage sein, den umsatzsteuerlichen Anforderungen vollständig nachzukommen, könnte dies nachteilige steuerliche Auswirkungen zur Folge haben, einschließlich einer Pflicht zur Rückerstattung der Umsatzsteuer.
- Wir unterliegen den Steuergesetzen und -vorschriften in

		Deutschland und zahlreichen weiteren Ländern. Unsere Steuerbelastung könnte sich als Folge einer zukünftigen steuerlichen Behandlung von Dividendenzahlungen, dem Ausschluss der Abzugsfähigkeit von Zinszahlungen, gegenwärtigen oder zukünftigen Steuerveranlagungen oder Gerichtsverfahren, die auf Änderungen inländischer oder ausländischer Steuergesetze und Doppelbesteuerungsabkommen oder Änderungen in deren Anwendung oder Auslegung zurückzuführen sind, erhöhen.
D.3	**Zentrale Angaben zu den Risiken, die den Wertpapieren eigen sind**	**Risiken in Bezug auf die Aktien** • Möglicherweise entwickelt sich kein aktiver Handel mit den Aktien der Rocket Internet SE und der Preis der Aktien der Rocket Internet SE könnte großen Schwankungen unterworfen sein. • Die Rocket Internet SE beabsichtigt gegenwärtig nicht und wird möglicherweise nicht in der Lage sein, in absehbarer Zukunft Dividenden zu zahlen. • Als Ergebnis des Börsensegmentwechsels (*Uplisting*) wird die Rocket Internet SE zusätzliche regulatorische und Verwaltungsanforderungen einhalten müssen, einschließlich der Verpflichtung zur Veröffentlichung von Konzernquartalsmitteilungen und anderen Offenlegungsverpflichtungen. • Zukünftige Verkäufe der Aktien der Rocket Internet SE durch unsere Hauptaktionäre könnten den Kurs der Aktien der Rocket Internet SE drücken und die Interessen unserer Aktionäre könnten von den Interessen der Rocket Internet SE abweichen oder diesen entgegenstehen.

E – Angebot

E.1	**Gesamtnettoerlöse.**	Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.
	Geschätzte Gesamtkosten der Emission/des Angebots, einschließlich der geschätzten Kosten, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden.	Die im Zusammenhang mit der Börsenzulassung der Aktien erwarteten Kosten belaufen sich auf insgesamt ca. EUR 2 Millionen. Anlegern werden keine Kosten durch die Rocket Internet SE oder Berenberg in Rechnung gestellt.
E.2a	**Gründe für das Angebot.**	Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.
	Zweck-bestimmung der Erlöse, geschätzte	Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien. Demzufolge werden weder der Rocket Internet SE noch den

	Nettoerlöse.	Aktionären der Rocket Internet SE Erlöse zufließen.
E.3	**Beschreibung der Angebotskonditionen.**	Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.
	Stabilisierungs-maßnahmen, Mehrzuteilung und Greenshoe-Option.	Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.
E.4	**Beschreibung aller für die Emission/das Angebot wesentlichen, auch kollidierenden Interessen.**	Berenberg hat mit der Rocket Internet SE anlässlich der Börsennotierung der Aktien der Rocket Internet SE am regulierten Markt der Frankfurter Wertpapierbörse und am regulierten Markt der Luxemburger Wertpapierbörse (*Bourse de Luxembourg*) ein Listing Agreement geschlossen. Berenberg berät die Rocket Internet SE bezüglich der Börsennotierung und koordiniert den Notierungsprozess. Berenberg wird eine marktübliche feste Provision für diese Leistungen erhalten. Des Weiteren standen Berenberg oder deren verbundene Unternehmen in Geschäftsbeziehungen zu Mitgliedern des Konzerns, werden möglicherweise auch zukünftig in Geschäftsbeziehungen zu Mitgliedern des Konzerns stehen und Leistungen für Mitglieder des Konzerns im Rahmen des gewöhnlichen Geschäftsverkehrs erbringen. Außer den vorstehend beschriebenen Interessen bestehen keine Interessenkonflikte im Hinblick auf die Börsennotierung.
E.5	**Name der Person/des Unternehmens, die/das das Wertpapier zum Verkauf anbietet.**	Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.
	Bei Lock-up-Vereinbarungen die beteiligten Parteien und die Lock-up-Frist.	Entfällt. Es gibt keine Lock-Up Vereinbarungen hinsichtlich der Aktien der Rocket Internet SE.
E.6	**Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung.**	Entfällt. Dieser Prospekt bezieht sich nicht auf ein Angebot von Aktien.
E.7	**Schätzung der Ausgaben, die dem Anleger vom Emittenten oder Anbieter in Rechnung gestellt werden.**	Entfällt. Anlegern werden weder von der Rocket Internet SE noch von Berenberg Kosten in Rechnung gestellt.

1. RISK FACTORS

*An investment in the shares of Rocket Internet SE, Berlin, Germany (“**Rocket Internet SE**” and together with the legal entities that are fully consolidated in Rocket Internet SE’s consolidated financial statements, “**we**”, “**us**”, “**our**”, “**Rocket Internet**” or the “**Group**”), is subject to risks. In addition to the other information contained in this prospectus, prospective investors should carefully consider the following risks when deciding whether to invest in Rocket Internet SE’s shares. The market price of Rocket Internet SE’s shares could decline if any of these risks were to materialize, in which case investors could lose some or all of their investment. The following risks, alone or together with additional risks and uncertainties not currently known to us, or that we might currently deem immaterial, could materially adversely affect our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE’s direct and indirect interests in the companies in the Rocket Internet network.*

*“**Rocket Internet network**” refers to the Group together with the Selected Portfolio Companies, regional internet groups (“**Regional Internet Groups**”), New Businesses & Investments and the other companies in which the Group holds equity interests. “**Selected Portfolio Companies**” refers to HelloFresh AG, together with the legal entities in which it holds a direct or indirect stake and that operate under the HelloFresh brand (“**HelloFresh**”), Delivery Hero Holding GmbH (“**DHH**”), together with the legal entities in which it holds a direct or indirect stake and that operate under the Delivery Hero brand (“**Delivery Hero**”), Emerging Markets Online Food Delivery Holding S.à r.l. together with the legal entities in which it holds a direct or indirect stake and that operate under the foodpanda, hellofood and Delivery Club brands (“**foodpanda**”), Global Fashion Group S.A. together with its subsidiaries (“**Global Fashion Group**”), Africa eCommerce Holding GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Jumia or Zando brands (“**Jumia**”), Westwing Group GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Westwing and Dalani brands (“**Westwing**”) and Home24 AG together with the legal entities in which it holds a direct or indirect stake and that operate under the Home24 and Mobly brands (“**Home24**”). “**New Businesses & Investments**” refers to companies in which the Group holds a stake and that are at various maturity stages, ranging from new business models to companies that have already taken steps to develop their business. This category includes companies that were incubated by the Group and companies that were launched by third parties and in which the Group invested after their launch. We also refer to the Selected Portfolio Companies, Regional Internet Groups, New Businesses & Investments and the other companies in which the Group holds equity interests as “**network companies**”.*

The order in which the risks are presented is not an indication of the likelihood of the risks actually materializing, or the significance or degree of the risks or the scope of any potential harm to our business, net assets, financial condition, cash flows, results of operations or the value of Rocket Internet SE’s direct and indirect interests in the companies in the Rocket Internet network. The risks mentioned herein may materialize individually or cumulatively.

1.1 Risks Related to Rocket Internet SE and the Companies in the Rocket Internet Network

1.1.1 We disclose in this prospectus valuations derived from investments in the companies in the Rocket Internet network based on the last financing rounds and not derived from our consolidated financial statements. These valuations may not reflect the past, present or future fair values of the companies in the Rocket Internet network and may not be indicative of the total value of Rocket Internet SE. Accordingly, potential investors should not place undue reliance on these valuations.

In a number of financing rounds to date, investors have provided equity capital to the companies in the Rocket Internet network. In order to determine the price for interests that were acquired by investors in the companies in the Rocket Internet network, we, the other shareholders in the relevant entity and the relevant investor determined a valuation for the relevant company, and, in case of a contribution in kind rather than a cash contribution by the investor, also a valuation of such contribution in kind. These valuations were often based on limited operational and historical information about the relevant company (or the asset, in the case of a contribution in kind), and were not confirmed by an independent third-party expert such as an accounting firm or an investment bank. In addition, the insights, assumptions and expectations of the relevant investors as well as prevailing market conditions at the time of the investment influenced the price that the relevant investors were willing to pay. The valuations disclosed in this prospectus also reflect the specific circumstances under which the relevant investment in the relevant company was made, including the specific terms of the investments, such as liquidation preferences and/or preferred returns and/or anti-dilution protection rights. Liquidation preferences typically mean that investors who invested in later financing rounds may recoup their investment, or, in some cases, even a multiple of their investment, before other shareholders who invested in earlier financing rounds, such as Rocket Internet SE, are paid. Events triggering a distribution of proceeds favoring later investors based on a liquidation preference or a right to preferred returns typically include a sale or transfer of shares in a network company leading to a change of control over the network company.

In the event of an exit from a network company, such as a sale of a network company to a third party, we may receive no proceeds or only a share in the proceeds that is significantly lower than the proceeds to which we would be entitled based solely on our direct and indirect interest in the relevant network company. This may even be the case if the proceeds exceed the last financing round valuation. This is due to arrangements in the relevant investment and/or shareholders' agreement which stipulate that some investors (typically investors who invested in later financing rounds), receive a share in the proceeds before more junior ranking investors (which typically includes us) are paid. Unless the proceeds from such an event are high enough so that the *pro rata* distribution of proceeds to all shareholders in the relevant network company based on their participation in such event (disregarding the liquidation preference) would grant investors that rank senior to us an amount of proceeds that equals or exceeds the preference amount of these investors under the liquidation preference, we will receive a share in the proceeds that is lower than our beneficial interest in the relevant network company or may even not receive a share in the proceeds at all.

While we regularly engage in financing rounds, some of the companies in the Rocket Internet network have not engaged in a financing round in more than twelve months, which means that some of these valuations are no longer recent and the circumstances under which they were made may have changed, including as a result of changes in foreign exchange rates, or because some of the companies in the Rocket Internet network may not have performed in accordance with expectations the investors had at the time of the relevant financing round.

In addition, certain of our financing rounds may not represent the fair value of the companies in the Rocket Internet network as they were completed with investors that had already invested in Rocket Internet SE or in other companies in the Rocket Internet network. Such pre-existing investments may have led these investors to agree to terms that are not at arm's length. The valuations disclosed in this prospectus may therefore exceed the price that independent and knowledgeable third parties would be willing to pay. To illustrate, Investment AB Kinnevik (together with its affiliates, "**Kinnevik**"), one of Rocket Internet SE's current indirect shareholders, reports fair values for its stakes in companies in the Rocket Internet network that are typically lower than the valuation of the relevant company in the last financing round in which Kinnevik participated. As another example, our co-investors in our Regional Internet Groups and other companies in the Rocket Internet network may have valued them higher based on the expectation of synergies from their investments that would benefit their particular business.

The market valuation of Rocket Internet SE (*i.e.*, the stock price of Rocket Internet SE) indicates that, at least currently, the valuation attributed to Rocket Internet SE is significantly lower than the aggregate valuation of the companies within the Rocket Internet network. The divergence between the valuation of Rocket Internet SE and such aggregate valuation may continue in the future and even become more pronounced.

In the recent past, there has been a downturn in the equity market for technology-based companies and internet-driven business models, which has resulted in pressure on the valuation of companies in this sector. In a number of prominent cases, new rounds of financing have taken place at lower valuations than in preceding financing rounds (so called down rounds). We have also experienced down rounds in the Rocket Internet network. For example, the Global Fashion Group was valued at €3.04 billion prior to a financing round in July 2016, which led to a new last financing round post-money valuation of €1.03 billion. In August 2016, New Tin Linio II GmbH (together with the legal entities in which it holds a direct or indirect stake and that operate under the Linio brand, "**Linio**") was valued at €100 million pre-money (including agreed roll-up steps), corresponding to about one-fourth of Linio's valuation immediately before this financing round. In September 2016, Home24 raised €20 million in a financing round. In this financing round, Home24 was valued at €420 million post-money, compared to a post-money valuation of €981 million prior to this financing round. Rocket Internet participated in Home24's current financing round. Liquidation preferences and other preferred return arrangements may magnify the impact of a down round on the fair value of a stake in a network company for investors that have junior ranks, which typically includes us, as a down round may make it significantly less likely that we will receive a proportionate share in the proceeds from a transaction that triggers a distribution of proceeds according to the liquidation preference or is subject to other preferred return arrangements. Any decrease in the valuation of the companies in the Rocket Internet network and, particularly, in the valuation of companies that account for a substantial percentage of the aggregate valuation of the companies in the Rocket Internet network, such as HelloFresh or Delivery Hero, which are currently both loss making, could have a material adverse effect on the share price of Rocket Internet SE. In the case of companies accounted for using the equity method or as financial instruments, down rounds could also have a material adverse effect on the Group's results from operations.

If the value of a company in the Rocket Internet network falls below the value achieved in the previous financing rounds, any plans to take that company public could fail, resulting in the cancellation of the intended initial public offering after having already invested significant resources in the preparation for the offering. Moreover, even if it is decided to proceed with an initial public offering of a company in the Rocket Internet network, there is no guarantee that any valuation published for this company before the initial public offering will be achieved in such offering. Also, if Rocket Internet SE retains a stake in one of the companies in the Rocket Internet network after such company has been taken public, the value of Rocket Internet SE's stake will from then on be influenced by changes in the market price for the shares of this company.

Consequently, the valuations of the companies in the Rocket Internet network may not reflect their past, present or future fair values, or any potentially achievable fair value in the future. In particular, there can be no assurance that the fair value of the companies in the Rocket Internet network corresponds to the last financing round valuation shown for the relevant company in this prospectus not derived from our consolidated financial statements. Accordingly, potential investors should not place undue reliance on these valuations. Given the multitude of individual financial transactions that have taken place over the last several years, there is no guarantee that the transaction parameters and resulting valuations were always correctly determined and documented. Any investment in Rocket Internet SE's shares must be based upon an investor's own assessment of its circumstances and the circumstances surrounding Rocket Internet SE and the companies in the Rocket Internet network.

The materialization of any of the risks described above could have a material adverse effect on Rocket Internet SE's business, financial condition, cash flows, and results of operations and its share price and valuation.

1.1.2 We have grown into a large organization with a significant number of companies active primarily in five industry sectors and in over 100 countries. There is no guarantee that we can maintain our historical growth rates, including as a result of increased competition, or that we can continue to manage future growth.

The growth of our business is based on our ability to identify proven internet business models and transfer them to new, underserved or untapped markets, where we seek to build and scale them into market leading online companies. Since our origins in 2007, we have successfully developed new online companies in the Food & Groceries, Fashion, General Merchandise, Home & Living and Travel sectors, and have scaled these companies to underserved, high-growth emerging markets, such as Brazil, Indonesia, Nigeria, the Philippines and Saudi Arabia.

Despite our past success, there is no guarantee that we can maintain our historical growth rates or continue to generate future growth. We may be unable to identify additional proven internet business models, either at our current rate or at all, and we may be unable to continue or further develop our processes for building and scaling new companies. In addition, we may be unable to identify and achieve long-term profitable growth in new markets for the companies in the Rocket Internet network or to grow or to become profitable in the markets in which we currently operate. While we focus on developing each of the companies in the Rocket Internet network into a market leader, the competition in our markets has increased and will likely continue to increase in the future. Actual or potential future competitors include large internet companies, such as Alibaba, Amazon, Facebook, Google and Uber. Our current and future competitors may have greater resources, may outperform us and may substantially limit our ability to continue to grow.

Our rapid growth over the past years has placed significant demands on our combined management, operational and financial infrastructure. We have experienced substantial growth in terms of headcount and operations, and may not be able to effectively manage our growth going forward, which could result in a deterioration of the quality of our products and services. Our expansion into international markets, including emerging markets, heightens these risks due to the challenges of launching, growing and supporting businesses in a diverse environment composed of multiple languages, cultures, customs, legal, judicial and regulatory systems and commercial infrastructures. There is no guarantee that we will be able to continue developing and implementing the management, operational and financial infrastructure that our business model requires.

As we have grown, our corporate structure has also become substantially more complex. Rocket Internet SE is organized as an operating company that holds interests in multiple levels of Regional Internet Groups and entities in Germany and abroad, and we have entered into a large number of agreements with investors at all levels of our corporate structure. Significant management time and effort is required to effectively manage the increased complexity of our corporate structure and contractual obligations, which may limit the ability of our management to focus on the strategic growth of our business and of the companies in the Rocket Internet network.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE’s direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE’s business, financial condition, cash flows and results of operations.

1.1.3 Nearly all of the companies in the Rocket Internet network have limited operating histories, are significantly loss making, have a negative operating cash flow, require significant capital expenditure and may never be profitable or cash generating.

Nearly all of the companies in the Rocket Internet network have only limited operating histories and have incurred substantial losses, mainly due to costs for marketing their products and services and launching and expanding their operations. According to available financial information, nearly all of the companies in the Rocket Internet network were loss making in each of their last three fiscal years. Rocket Internet SE's consolidated statement of comprehensive income for the year ended December 31, 2015 shows a loss for the period of €197.8 million. This includes the Group's share of loss of associates and joint ventures of €188.6 million in 2015. The total aggregate loss of our material associates and loss from continuing operations of our material joint ventures as presented in accordance with IFRS 12 in the notes to Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015 was €1.4 billion in 2015.

The executive officers of the companies in the Rocket Internet network often have limited management experience in their respective industries, and there is no guarantee that the companies in the Rocket Internet network have, or will be able to develop, business plans that will allow them to become profitable or generate positive cash flows in the future. The operating expenses of the companies in the Rocket Internet network may increase in the future as they continue to develop their products and services, increase their sales and marketing efforts and expand their operations.

The operating losses and negative cash flows incurred by the companies in the Rocket Internet network may have an ongoing negative impact on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in these companies. In addition, we may be limited in our ability to exit an investment in a poorly performing company.

To the extent Rocket Internet SE has significant influence over a company, which is a level of influence that does not rise to the level of control, the company is accounted for using the equity method. Accounted for using the equity method means that the carrying amount of Rocket Internet SE's investment in such company is adjusted to reflect Rocket Internet SE's proportionate share in changes to the equity capital of such company, including changes as a result of financing rounds and changes due to the net income/loss of the relevant company. Adjustments also include adjustments to the fair value that occurred at the time of acquisition and adjustments to group-wide accounting policies. Any changes in the value of Rocket Internet SE's proportionate share in the equity capital of the associate or joint venture will impact the line item share of profit/loss of associates and joint ventures, other comprehensive income/loss or other equity items in Rocket Internet SE's consolidated financial statements.

Because none of the larger and more mature companies in the Rocket Internet network are generally fully consolidated, Rocket Internet SE's consolidated financial statements are significantly impacted by the performance of the youngest and least mature companies in the Rocket Internet network, which are fully consolidated in Rocket Internet SE's consolidated financial statements. The financial performance of such companies may create significant volatility with respect to Rocket Internet SE's loss or profit for the period. In addition, any future full consolidation or first-time consolidation at equity of companies in the Rocket Internet network with operating losses may negatively affect Rocket Internet SE's consolidated statement of comprehensive income and profitability.

One of our Selected Portfolio Companies, Delivery Hero, is neither fully consolidated nor equity accounted in Rocket Internet SE's results at all. If Delivery Hero performs poorly, this performance will not directly be reflected in Rocket Internet SE's financial results. Poor performance may, however, lead to a change in the fair value of Rocket Internet's stake in Delivery Hero, which would be recorded in other comprehensive income, except for impairments which have to be recognized in profit or loss. In 2015, Delivery Hero recorded a substantial loss for the period. Any performance of Delivery Hero that is below investors' expectations could also adversely affect Rocket Internet SE's market capitalization and harm Rocket Internet SE's reputation, which may limit Rocket Internet SE's ability to finance other companies in the Rocket Internet network.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.4 Our operations may be impaired and our growth may cease if we do not succeed in raising additional equity or in borrowing money on favorable terms.

The growth and expansion of the companies in the Rocket Internet network will require additional capital. None of the companies in the Rocket Internet network can currently fund their cash flow needs from operations alone. Most of the companies in the Rocket Internet network have negative cash flows and require periodic injections of capital in order to continue to run their business. If the companies in the Rocket Internet network are not able to raise capital, their growth may be limited and their market shares may be negatively impacted. They may also be forced to scale back their operations or even cease to exist as going concerns. There is no guarantee that the companies in the Rocket Internet network will be able to obtain additional financing on favorable terms or at all. We may not have the same access to equity and debt capital as our competitors, in particular those based, or listed on a stock exchange, in the United States, and general economic disruptions and downturns may negatively affect the ability of the companies in the Rocket Internet network to raise capital when needed. In the past, we have received significant investment commitments from certain key investors on repeated occasions. There is no assurance that these investors will meet their outstanding investment commitments or that they will continue to make such commitments in the future. If our relationship with these investors should deteriorate, we may not be able to find other investors who are willing and able to make the same type of commitments or investments in us. We may also fail to accurately project the capital needs of the companies in the Rocket Internet network and may not be able to provide them with sufficient capital to continue to run their businesses, even if we wish to do so. In the case of any such event, our interest in any such company may be diluted and the value of our stake in such company may decline or may become worthless.

Rocket Internet SE receives only limited amounts of cash from its companies because the companies in the Rocket Internet network have negative operating cash flow and do not provide any funds to Rocket Internet SE in the form of dividends. Accordingly, Rocket Internet SE depends on its ability to raise capital. Rocket Internet SE raised significant equity capital in its initial public offering in 2014 and in a capital increase in 2015. Rocket Internet SE placed convertible bonds in 2015, which it partially repurchased in 2016. Rocket Internet SE has also secured co-funding commitments from third-party investors due to the establishment of the Rocket Internet Capital Partners fund. However, there can be no assurance that Rocket Internet SE will be able to raise the capital it needs to meet its future liquidity needs. In the medium to long term, Rocket Internet SE may require additional capital to finance its corporate overhead and to meet the funding requirements of the companies in the Rocket Internet network.

If Rocket Internet SE needs capital and is unable to raise it within a certain timeframe or at all, Rocket Internet SE may be required to take additional steps, such as borrowing money on unfavorable terms or divesting assets prematurely. Divestments or sell-downs may trigger certain change-of-control provisions that allow investors in the relevant entity to either purchase our remaining stake, or require us to purchase theirs, at a discount to fair value. Additional provisions, such as those granting other investors a right to first purchase or a tag-along right, could delay, impair or prevent the disposal of our interests in the companies in the Rocket Internet network or could curtail our operating flexibility.

Further, in connection with financing rounds of Rocket Internet SE or some of the companies in the Rocket Internet network or Regional Internet Groups, we may have agreed to a lower valuation of that entity in expectation of benefits from future cooperation with the investor. However, the anticipated benefits may not be realized or not to the extent originally expected, which may have an adverse effect on the value of Rocket Internet SE or on the value of the companies in the Rocket Internet network. Any deterioration in the performance, prospects or perceived value of Rocket Internet SE or the companies in the Rocket Internet network may have a material adverse effect on

Rocket Internet SE's share price and valuation and may trigger additional capital requirements and asset impairments. Additionally, any liquidity concerns encountered by Rocket Internet SE may require it to curtail or abandon its growth strategy and to limit its financial support to existing companies in the Rocket Internet network. As a result, some of the companies in the Rocket Internet network may be forced to limit or cease operations, which, in turn, may negatively affect our reputation and finances and the reputation and finances of the other companies in the Rocket Internet network. Ultimately, an ongoing shortage of capital may cause Rocket Internet SE to cease as a going concern.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.5 Most shareholders' agreements relating to the companies in the Rocket Internet network contain liquidation preferences for other investors, which may result in a disproportionate decrease in the value of Rocket Internet SE's direct and indirect stakes in these companies as well as disproportionately low exit proceeds for us. In addition, later financing rounds effected at a lower valuation may lead to a dilution of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network due to down-round protection rights granted to other shareholders in the relevant network company. Further, a number of our shareholders' agreements contain so-called drag-along rights, which give the major shareholders of the relevant company the right to require the other shareholders to sell their shares in the same transaction and at the same conditions.

Nearly all of the shareholders' agreements relating to the companies in the Rocket Internet network contain liquidation preference structures that would, in certain situations including a change of control or liquidation of the relevant company, allow investors who invested in later financing rounds to receive proceeds up to the value of their initial investment, or sometimes even more, before proceeds are distributed to investors in earlier financing rounds. In any such situation, there is no guarantee that Rocket Internet SE or the relevant holding company, as founder and frequent early investor in many of the companies in the Rocket Internet network, would receive any proceeds after the liquidation preferences of other investors have been satisfied. In fact, Rocket Internet SE is typically one of the most junior-ranking investors in the companies in the Rocket Internet network, and thus highly likely to be affected by any liquidation preferences. In addition, if the valuations of the companies in the Rocket Internet network decline, Rocket Internet SE's interests in the companies in the Rocket Internet network are likely to be disproportionately impacted relative to later investors who have a higher priority in the distribution of proceeds (whether due to liquidation preferences or other subordination arrangements, such as preferred returns) because such reductions make it more likely for junior investors, typically including us, to receive a share in the proceeds that is lower than their beneficial interest in the relevant network company or no share in the proceeds at all.

Certain of our shareholders' agreements relating to the companies in the Rocket Internet network also provide investors with so-called down-round protections rights. These rights entitle the relevant investors to receive compensation shares if a future financing round values the company lower than the valuation during the round in which the investors originally invested. Because this compensation is paid in the form of shares in the relevant company, the interest of investors that do not receive compensation shares or that receive only a small number of shares compared to their overall holding, which typically includes Rocket Internet SE, will be diluted if these rights are triggered.

In most of our companies other shareholders or other stakeholders have or will have the right to request shares to be issued to them at a value lower than fair market value or even at nominal value. Instances in which shareholders may get further shares could be in addition to financing rounds at a lower valuation than previous financing rounds, i.e. downrounds, in which case certain shareholders may even be allocated a multiple of their respective original investment as preferred return, the breach of warranties given by the relevant company to other investors in connection with their investment, the conversion of shareholder loans or the contribution by employees or other parties of their shares or interests in subsidiaries of the relevant company against issuance of new shares in the company (i.e. roll-up). Further economic dilution might result from liquidation preferences, phantom shares, options, warrants and minority stakes or interests held by employees and other parties in subsidiaries of the relevant company. In general, we are often not in the position to block the issuance of further shares in the relevant company, which is why our economic interest is subject to continuous changes.

Further, a number of our shareholders' agreements contain so-called drag-along rights, which give the major shareholders of the relevant company the right to require the other shareholders to sell their shares in the same transaction and at the same conditions. The price to be paid pursuant to these conditions may be lower than the fair value and lower than the corresponding valuation based on the last financing round or secondary transaction disclosed in this prospectus. While we may be able to block a drag-along transaction in some cases, we do not hold a sufficiently large stake to block a drag-along in a number of companies in the Rocket Internet network, which means that we may not be in a position to block a sale at a valuation below fair value or below the valuation of the relevant entity based on the last financing round or secondary transaction.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.6 The valuation of investments in relatively young companies, which account for the majority of the Group's assets, is subject to significant uncertainty and volatility.

Investments in associates and joint ventures and non-current financial assets, which are mainly related to relatively young companies that are in the process of developing their business, accounted for 52.5% of the Group's total assets as of June 30, 2016. The valuation of young companies that are in the process of developing their business is subject to significant uncertainty and volatility. For example, the Group's share of profit/loss of associates and joint ventures for the six months ended June 30, 2016 included aggregate impairment losses of €471.3 million, primarily due to a new financing round that took place at lower valuation than in the preceding financing round (a so called "down round") at the Global Fashion Group. Nearly all of the companies in the Rocket Internet network have only limited operating histories and have incurred, and will likely continue to incur, substantial losses. None of the companies in the Rocket Internet network can currently fund their cash flow needs from operations alone. Most of the companies in the Rocket Internet network have negative cash flows and require periodic injections of capital in order to continue to run their business. There is no guarantee that the companies in the Rocket Internet network will be able to obtain additional financing on favorable terms or at all, in particular if investors become less interested in investments in loss-making companies on the basis of expectations concerning their future development. For example, in the late 1990s and early 2000s, internet start-ups traded at high valuations, based on expectations by investors about their future business and share price development. As investment sentiment turned, share prices of the internet start-ups, such as those listed on the New Market, fell sharply, resulting in substantial losses for investors.

We have experienced a number of down rounds in the recent past. In additon to the down round at Global Fashion Group mentioned in the preceding paragraph, we experienced a down round at one of our home and living companies, Home24. If this trend continues or intensifies, some of the companies in the Rocket Internet network may not be able to obtain additional financing on acceptable terms and may be forced to limit or cease operations, which, in turn, may negatively affect our reputation and finances and the reputation and finances of the other companies in the Rocket Internet network. Ultimately, an ongoing shortage of capital may cause Rocket Internet SE to cease as a going concern.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.7 *Because Rocket Internet SE does not control most of the companies in the Rocket Internet network, they are operationally independent and may make business decisions that are not in Rocket Internet SE's or their best interests or that Rocket Internet SE does not agree with and which could impair the value of Rocket Internet SE's direct and indirect holdings.*

Rocket Internet SE has no control and only limited influence over most of the companies in the Rocket Internet network. As of June 30, 2016, none of our Selected Portfolio Companies were fully consolidated in the Group's financial results, reflecting the limited influence Rocket Internet SE has over the Selected Portfolio Companies (including HelloFresh and Delivery Hero). As of June 30, 2016, the Selected Portfolio Companies were only accounted for at equity, which is predicated on Rocket Internet SE having a level of influence that does not rise to the level of control, or, in the case of Delivery Hero, accounted for as a financial instrument and valued at fair value. Changes in the fair value of Delivery Hero will be recorded in other comprehensive income, except for impairments which have to be recognized in profit or loss.

There is no assurance that the companies not controlled, either directly or indirectly, by Rocket Internet SE will heed or solicit our advice, including advice on significant financial or other business decisions that may have a material adverse effect on our or their interests or may be inconsistent with our or their business strategy. Moreover, in the case of Delivery Hero, notwithstanding our 37.3% stake in Delivery Hero, Rocket Internet SE does not have significant influence over Delivery Hero and has only limited information rights, such that Rocket Internet SE may only learn about important, potentially detrimental, measures or decisions once Delivery Hero has implemented the measure or taken the decision. Management or other direct or indirect stakeholders in the companies that Rocket Internet SE does not directly or indirectly control may have economic or business interests or objectives that differ from those of our Group or may disagree with our advice regarding financial or operating matters.

There is no guarantee that the companies Rocket Internet SE does not directly or indirectly control will not act in a manner that is directly or indirectly harmful to our or their best interests, and disputes regarding the plans, strategies or business models of the companies Rocket Internet SE does not control may consume management's time and effort and reduce its ability to successfully execute the business strategy of Rocket Internet SE. The companies Rocket Internet SE does not directly or indirectly control have also historically purchased services from us, which has allowed us to cover a substantial portion of overhead costs. We cannot guarantee that the companies Rocket Internet SE does not directly or indirectly control will continue to make use of our services, which may increase our cost in providing them or limit our ability to continue or expand our current services.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.8 *If we are unable to accurately assess the operating performance of the companies in the Rocket Internet network through certain key performance indicators, our ability to determine and implement appropriate business strategies may be impaired.*

We assess the operating performance of the companies in the Rocket Internet network using a set of key performance indicators, which include the number of total customers, mobile users, total orders and gross merchandise volume. Capturing accurate data is subject to various limitations and there is no assurance that our data collection technologies and tools are always accurate. For example, we may need to collect certain data from mobile carriers or other third parties, which limits our ability to verify the reliability of such data. Such data is not subject to an audit by an independent auditor. We may not be able to collect data from third parties at all. Furthermore, because financial reporting frameworks lack standardized definitions for key performance indicators, the key performance indicators of the companies in the Rocket Internet network may not be comparable to those of our competitors or even to those of the other companies in the Rocket Internet network. There is no guarantee that the information we have collected thus far is accurate or reliable. As a result, the key performance indicators that we use may not reflect the actual operating or financial performance of the companies in the Rocket Internet network and are not reliable indicators of current or future revenue or profitability. Potential investors should therefore not rely on these indicators as a basis for their investment in Rocket Internet SE's shares. In addition, in a number of cases, most notably with respect to DHH in which Rocket Internet SE holds, as of the date of the this prospectus, a 37.3% stake (calculated on a fully diluted basis), we may not have sufficient access to the relevant company in the Rocket Internet network and its performance indicators to present a complete set of indicators or any indicators at all.

The management of businesses of the companies in the Rocket Internet network and the development of their growth strategies depend on accurate measurement of the numbers of and trends in their total customers, mobile users and other key performance indicators derived from these metrics. If our measurements of these key metrics are incomplete or inaccurate, our business and strategic decisions may be suboptimal or wrong. Furthermore, if a significant understatement or overstatement of these key performance indicators were to occur, the market might perceive us to have inadequate systems and lose confidence in the accuracy and reliability of the information we report.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.9 Our global expansion, in particular into a large number of emerging markets, exposes us to political, economic, legal and other risks and uncertainties.

We conduct business in over 100 countries around the globe. As a result of our expansion, we are active in a large number of diverse markets, which exposes us to a variety of local economic, political and social conditions, including potential hyperinflationary conditions, civil unrest, regulations restricting or limiting foreign ownership and political instability. Our operations are carried out in a large number of foreign currencies, which exposes us to risks in connection with fluctuations or devaluations of currencies as well as foreign exchange controls that impact our ability to convert currencies. For example, revenue from Yemek Sepeti A.S., a subsidiary of Delivery Hero in Turkey, is denominated in Turkish lira, which has significantly depreciated in recent months due to the political crisis in Turkey. We do not currently hedge foreign exchange risks. The companies in the Rocket Internet network are also exposed to risks related to domestic and foreign customs, tariffs, quotas, import or export licensing requirements and other trade barriers. Given the international footprint of the Rocket Internet network, many of the companies in the Rocket Internet network have to analyze and operate in opaque or unfamiliar legal systems, which may contain conflicting regulatory requirements, are often subject to arbitrary enforcement by authorities and may face complex taxation issues. For more information, see "*1.2.2 Conducting business in more than 100 countries around the globe requires us to comply with numerous, complex and sometimes conflicting legal and regulatory requirements.*", "*1.3.3 Certain of our cross-border business dealings may trigger unforeseen adverse tax consequences.*" and "*1.3.7 We are subject to tax laws and regulations in Germany and numerous other countries. Our tax burden may increase as a consequence of future tax treatment of dividend payments, non-deductibility of interest payments, current or future tax* *assessments or court proceedings based on changes in domestic or foreign tax laws and double taxation treaties or changes in the application or interpretation thereof.*". In addition, financial and economic sanctions may be imposed or tightened by other countries or international organizations on the countries in which we operate, for instance on the Russian Federation, where a number of companies in the Rocket Internet network, including a fashion company that operates under the Lamoda brand, conduct business. The governments of the countries in which we operate could also expropriate our stakes in companies in that country. If one of the companies in the Rocket Internet network were to become profitable, we may be faced with limitations on the remittance of dividends and other cross-border payments or on the recovery of amounts withheld due to withholding taxes. As we continue to grow, these complications may grow worse, and there is no guarantee that we can manage them effectively or at all.

We also face specific risks as a foreign company doing business in our target markets, which often have regulations in place designed to restrict or limit the ability of foreign companies to conduct business. We may find it more difficult to acquire the licenses and other approvals that we need to operate in our target markets. We may also not be accustomed to how business is conducted in our target markets, and may misinterpret or misunderstand local rules, regulations or customs. In some cases, we may be treated unfairly or differently than other businesses and may face arbitrary or harmful actions, such as revocations of licenses or other difficulties, with little or no means of recourse.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.10 *Our markets may not be as attractive as we currently believe and may not develop as we anticipate.*

While our network companies have substantial operations in developed markets, they typically strive to expand their emerging market activities. We target these emerging markets because we believe their growth in terms of gross domestic product ("**GDP**"), population and internet penetration, combined with the absence of a sophisticated offline retail infrastructure, presents a significant market opportunity to leapfrog the development of traditional brick-and-mortar retail industries, which involves the maintenance of stores and other sales facilities. There is no guarantee, however, that our target markets will prove to be as attractive as we currently believe them to be.

Our past performance provides no assurance that the companies in the Rocket Internet network will become profitable or successful in the long term or in different geographic markets. The future development of the companies in the Rocket Internet network relies heavily on the actual growth of our regions, both in terms of population and GDP. Actual growth may deviate significantly from forecast growth. In many of our target markets, growth trends may be less predictable, and overall GDP and consumer spending levels substantially lower, than in markets within the European Union. Consumers in emerging markets may also be more exposed to external forces that impact consumer spending, such as general economic conditions, unemployment, consumer debt, reductions in net worth, residential real estate and mortgage markets, taxation, energy prices, inflation, interest rates, consumer confidence and other macroeconomic factors. Because the companies in the Rocket Internet network tend to target sectors that are typically considered forms of discretionary spending, such as groceries, restaurant food, fashion, home and living furnishings and travel, we may be particularly at risk of negative economic performance during recessionary or other periods in which consumer spending or disposable income decreases, and, due to the relative fragility of emerging markets, may be disproportionately exposed to these risks as compared to our competitors who target more developed markets. In addition, a potential slowdown of the Chinese economy and a further strengthening of the U.S. Dollar may have a more significant adverse effect on emerging markets than on Western Europe.

Our business and the companies in the Rocket Internet network rely on the continued growth of the internet as a platform for online consumer transactions, particularly in the emerging markets where we seek to scale the companies in the Rocket Internet network. In particular, we believe that mobile applications will continue to develop as one of the primary ways in which customers complete online transactions in our target markets. There is no guarantee, however, that internet penetration rates, and in particular mobile internet penetration rates, will continue to grow as we anticipate. Internet penetration rates in our target markets may stagnate or decline, and customers may not readily adapt to the use of the internet for consumer transactions, particularly in regions where physical retail or face-to-face transactions remain the predominant form of commerce. Even if consumers desire to make use of the internet for e-commerce and other transactions, the difficulties of developing internet and mobile infrastructure in emerging markets may limit their ability to do so.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.11 We may never become profitable in our target markets due to the substantial operating complexity we need to overcome, including the maintenance of significant logistics, delivery and payment infrastructure.

While we seek to achieve a leading market position in our target markets, there is no guarantee that we will achieve this position. Even if we achieve a leading market position, we may not maintain this position. We typically operate in emerging markets with high barriers to entry due to the substantial operational complexity of these markets. While we anticipate that these high barriers to entry will allow us to defend leading positions and benefit from higher profit margins, the difficulty of operating in our target markets may ultimately prove more costly and less profitable than operating in the more established markets or China, which are not our focus regions. There is no guarantee that successful execution in our target markets will allow us or the companies in the Rocket Internet network to become profitable.

In order to overcome the operational challenges posed by the markets in which they operate, the companies in the Rocket Internet network have had to develop significant logistics, delivery and payment infrastructure, which includes in some countries the operation of fully-owned warehouses, the establishment of own delivery and last-mile delivery fleets, the design of an independent technology platform and the availability of unconventional payment options, such as "try at the door" delivery services and cash-on-delivery payment, all of which place a higher risk on the companies in the Rocket Internet network than traditional internet businesses. The maintenance, modernization and expansion of these systems may require substantial additional investments in order to keep pace with the growth of the companies in the Rocket Internet network, and the cost of these investments, assuming we can meet them, may rapidly outpace the benefits they bring to us. Further, having developed the infrastructure required to operate successfully in these markets, other companies may find it easier to develop businesses that compete with ours in our target markets.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.12 The results of the United Kingdom's referendum on withdrawal from the European Union may have a negative effect on global economic conditions, financial markets and our business.

On June 23, 2016, a referendum was held in the United Kingdom in which the majority of voters elected for the United Kingdom to leave the European Union. As a result, it is widely expected that the British government will give formal notice of its intention to withdraw from the European Union. Once the withdrawal process is formally initiated, the terms of any withdrawal are subject to a negotiation period that could last at least two years. The outcome of the referendum has already created significant political and economic uncertainty in the United Kingdom and within the European Union that may last for a number of months or years and that may lead to other member states deciding to withdraw from the European Union. Legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate, including laws about financial regulation, tax and free trade agreements, intellectual property rights, supply chain logistics, health and safety regulations and employment laws, may depress economic activity and increase the costs of our operations, particularly for those companies in the Rocket Internet network that are active in the United Kingdom such as HelloFresh (fresh-food-at-home provider), Delivery Hero (food delivery network) and Helpling (marketplace for cleaning services). These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could restrict our access to capital, increase our regulatory compliance burden and result in higher operating and finance costs.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.13 Rocket Internet SE was co-founded by Oliver Samwer, its current chief executive officer, and we continue to depend on his leadership. Conflicts of interest may arise between Mr. Samwer and us and there is no guarantee that Mr. Samwer will or will be able to continue to devote his time and energy to us.

We are a founder-led business. Under the leadership and guidance of Oliver Samwer, Rocket Internet SE's co-founder and current chief executive officer, we have grown into an international organization conducting business in over 100 countries around the globe. Our future success is highly dependent on his continued contributions and overall vision for our business. There is no guarantee, however, that Mr. Samwer will be able and willing to continue devoting his time, energy and management skills to our day-to-day operations. Under the terms of his service agreement with Rocket Internet SE, Mr. Samwer is bound by non-compete and non-solicitation obligations. However, Rocket Internet SE may be unable to successfully enforce these provisions and we may suffer harm from their violation even if Rocket Internet SE is able to do so. If we were to lose the services of Mr. Samwer, there is no assurance that we will be able to adequately replace his contribution.

In addition, Oliver Samwer may be subject to conflicts of interest due to his involvement with Rocket Internet Capital Partners SCS ("**RICP USD**") and Rocket Internet Capital Partners (Euro) SCS ("**RICP Euro**", and together with RICP USD, "**RICP**"). RICP was established with a goal of co-investing with us in new businesses. Oliver Samwer is one of a three-member investment advisory committee that advises the general partner of RICP regarding potential investment opportunities for RICP. Under a contractual agreement with RICP, certain directors and employees of the Group participating in RICP's operations are obligated to offer to RICP any new investment opportunities received by them, with the exception of strategic investments and seed rounds of companies incubated by Rocket Internet SE. Rocket Internet SE has the right to designate an investment as a strategic investment, thus precluding co-investments from RICP. Furthermore, RICP is generally given the opportunity to fund up to 80% of the financing rounds of any investment opportunities that are open to third-party capital. This means, however, that Rocket Internet SE itself may only invest up to 20% in those companies, unless the investment is deemed a strategic investment or a seed round of a network company founded by us. As a result, conflicts of interest may arise between Oliver Samwer, as a member of RICP's investment advisory committee, and Rocket Internet SE.

In addition, Rocket Internet SE's major shareholders, including Rocket Internet SE's largest shareholder, Global Founders GmbH ("**Global Founders**"), are not bound by any form of general non-compete arrangement. This means that Global Founders, Rocket Internet SE's other major shareholders, their affiliates and any investment vehicles used by Oliver Samwer, Marc Samwer and Alexander Samwer are generally free to pursue opportunities outside Rocket Internet, including opportunities that compete directly or indirectly with us.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.14 Conflicts of interest may arise between us and current or former companies in the Rocket Internet network or among them.

In addition to potential conflicts with Oliver Samwer, conflicts of interest could arise between us and the current or former companies in the Rocket Internet network, many of which were founded based on similar business concepts. For example, Home24 and Westwing are both engaged in the home and living ("**Home & Living**") sector and their geographic footprints in Europe and Latin America partially overlap. In addition, conflicts of interest could arise between two companies that operate in different, but partially overlapping sectors in the same geographic region, such as Dafiti (Fashion sector, part of the Global Fashion Group) and Linio (General Merchandise sector) in Latin America. Competition among current and former companies in the Rocket Internet network could negatively impact the revenue and margins of those companies, and such competition may intensify in the future, in particular as the companies in the Rocket Internet network grow their product assortments and expand to new geographic markets.

For example, in late 2013, we sold and transferred nearly our entire stake in Zalando GmbH (now: Zalando SE ("**Zalando**")), an e-commerce company engaged in fashion and shoe retail in Western Europe, to our then existing shareholders, including Global Founders and affiliates of Kinnevik and Access Industries. For more information, see "*1.3.4 The spin-off of Zalando and the subsequent redemption of shares in Rocket Internet SE held by Rocket Beteiligungs GmbH may result in a significant additional tax burden.*" As a result, Zalando is no longer part of the Group. In the Rocket Internet network, there are other companies that focus on online fashion and shoe retail. All of these companies are bundled in the Global Fashion Group and are based on business models that are very similar to Zalando's. However, they currently target markets outside of Western Europe. While there is currently no direct competition between Zalando and Global Fashion Group, nothing would prevent Zalando, which is significantly larger than any of the companies in the Global Fashion Group, from expanding its operations into markets served or targeted by the Global Fashion Group. If this happens, there is no assurance that Oliver Samwer or Global Founders and Kinnevik or other persons that directly or indirectly hold stakes in both Zalando and us, will place our interests over those of Zalando. Furthermore, in 2016, Alibaba Group Holding Limited acquired a majority interest in Lazada Group S.A., the holding company of a group of companies that operates an online shopping and selling platform for assorted merchandise in Southeast Asia under the Lazada brand. There can be no assurance that Lazada will not intensify its competition with companies in the Rocket Internet network that operate in the same region, such as the network companies operating under the Zalora brand.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.15 Our future growth will depend on our ability to identify additional proven internet business concepts on which to model new companies and to turn those concepts into successful enterprises.

Our business strategy is to identify proven internet business concepts in one market, which we then seek to transpose to new, underserved or untapped geographic markets. Accordingly, we need to identify suitable internet business concepts, understand them and the risks they entail and quickly establish local entities to execute the chosen business concept in these geographic markets.

We may not be able to identify enough suitable business concepts in the future. Without new business concepts, we will be unable to launch new companies. Even if we identify suitable business concepts, we may not fully understand them or their associated risks, and the business plans and market estimates underlying our decision to launch a new company may prove to be inaccurate. We may also not be able to distinguish between business concepts with potential for long-term success and those with only limited potential. We may realize, only after having identified a particular business concept and having invested significant resources in its transposition to other markets, that such business concept is not likely to generate the profits or growth that we expected.

Furthermore, we may not be able to identify and implement business concepts before our competitors. We often have only a small window of opportunity in which we can gain the consumer acceptance necessary to gain a strong position in a particular target market, and we may not be able to develop our chosen business concepts in new markets before our potential competitors do so. We also may need to overcome restrictions on making investments or acquiring new businesses in our target market jurisdictions. In the past, our ability to launch new models and to take advantage of market opportunities has been facilitated by our lean and informal decision making processes. As the size of our business grows, our ability to implement new business models and grow quickly may decline as a result of our increasing maturity and an increased focus on legal and regulatory compliance.

In addition, once we have launched a company in a target market, there is no guarantee that it will succeed in mastering the local consumer habits required to develop a business that addresses local circumstances and needs. Many of the companies in the Rocket Internet network are still at the early stages of development, and there is no guarantee that the failure rate of the companies in the Rocket Internet network will not increase in the future. We may also face difficulties in recruiting sufficiently qualified management and employees in order to effectively grow our business and may face cultural, social or linguistic barriers when attempting to expand our operations.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.16 Rocket Internet SE has made significant investments in existing internet companies and may deploy significant amounts for acquisitions and investments, which may prove unsuccessful.

Initially, the Rocket Internet network comprised companies that had been founded and grown by Rocket Internet SE. In the recent past, however, Rocket Internet SE has also adopted an approach to grow its network by acquiring interests or shares in start-ups or established companies outside the Rocket Internet network. This approach requires significant cash investments. For example, in 2015, the Group made several cash investments in the aggregate amount of €767.9 million in, and contributed its shares in Yemek Sepeti A.S. (an online food takeaway marketplace in Turkey) to, DHH, the holding company of a group of major online food delivery companies. Overall, Rocket Internet SE acquired a total 37.3% stake (calculated on a fully diluted basis) in DHH. Rocket Internet SE is planning to continue to acquire or invest in other companies that it believes complement the Rocket Internet network. Furthermore, while Rocket Internet SE's strategy does not currently contemplate pursuing significant acquisitions and investments, it does not exclude such transactions for the future and does not rule out entering into and completing more transactions than in the recent past, resulting in an overall higher capital expenditure than before.

Rocket Internet SE may fail to successfully integrate acquisitions and investments into its existing network of companies. Such failure or delays in integrating acquisitions or investments may be costly and impair the development of its business. In the case of Rocket Internet SE's investment in Delivery Hero Holding GmbH, Rocket Internet SE's rights are very limited, making it difficult for Rocket Internet SE to exert influence. It may also be required to recognize impairments on its investments. Furthermore, Rocket Internet SE may decide to finance significant parts of its acquisitions or investments through external borrowings, which may not be accessible or accessible only on unfavorable terms and, consequently, may negatively impact Rocket Internet SE's financial profile. In addition, the stake Rocket Internet SE holds in such companies may be further diluted due to new financing rounds, which may reduce the influence it has on management decisions and impede its ability to integrate the relevant company into its existing network of companies.

If such acquisitions or investments prove unsuccessful, it could have a material adverse effect on Rocket Internet SE's business, financial condition, results of operations and cash flows and Rocket Internet SE may be required to recognize significant impairments or its ability to pay dividends may be impaired.

1.1.17 The companies in the Rocket Internet network may face intense competition and may fail if their competitors provide superior offerings or if the companies in the Rocket Internet network do not adapt to changing market environments.

Our target markets and, in particular the emerging markets in which we operate, are rapidly evolving and may become increasingly competitive. Barriers to entry into the e-commerce and internet market are relatively low, and competitors can frequently offer products and services at a relatively low cost. Competition in the markets we serve may intensify in the future, particularly as innovations in internet technology further reduce the existing barriers to entry. The success of the companies in the Rocket Internet network often hinges on their ability to occupy a sustainable market position rapidly, which they may not achieve if they do not provide a superior customer experience in the face of potential competitors, including their ability to provide outstanding customer service, to implement a rapid and reliable delivery infrastructure, to offer localized, attractive products and services at competitive prices, to provide and accept convenient methods of payment and to source products that respond to customer demands.

Our current and potential competitors range from large, established companies to emerging start-ups and include internet companies as well as traditional brick-and-mortar companies offering similar products and services offline. Established companies, on the one hand, may have greater resources, more comprehensive and complementary product and service offerings, longer operating histories and more established relationships with customers. These companies can use their experience and resources to compete with the companies in the Rocket Internet network in a variety of ways, including by making acquisitions, investing aggressively in advertising campaigns, and offering more attractive commercial terms to customers, service providers and other strategic partners. Start-ups, on the other hand, may be able to develop internet products or services that are superior to, or have greater market acceptance than, the products and services offered by the companies in the Rocket Internet network or may be faster in bringing their products and services to the market. In addition, other start-ups, in particular those located in the United States, may have an easier time accessing significant equity and debt capital than the companies in the Rocket Internet network.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.18 Any harm to the brands or reputation of Rocket Internet SE or the companies in the Rocket Internet network may materially adversely affect our relationships with businesses, consumers or investors.

The recognition and reputation of the brands of Rocket Internet SE and of the companies in the Rocket Internet network among customers, suppliers, third-party sellers and investors are important for the growth and success of our business and are critical to maintaining our competitiveness in our target markets. Public perception that one of the companies in the Rocket Internet network or its third-party service providers does not provide satisfactory customer service, even if factually incorrect or based on isolated incidents, could damage that company's reputation, diminish the value of its brand, undermine the trust and credibility it has established and have a negative impact on its ability to attract new, or retain existing, customers and enter into new markets or sectors, and could similarly affect Rocket Internet SE and any of the other companies in the Rocket Internet network.

Many factors, some of which are beyond our control, are important to maintaining and enhancing our brands. These factors include our ability to:

- provide a compelling online shopping experience to customers across our target markets;
- maintain and improve the popularity, attractiveness, diversity, quality and value of the products and services offered by the companies in the Rocket Internet network;
- maintain and improve the efficiency, reliability and quality of our fulfillment services;
- maintain and improve customers' satisfaction with our after-sales services;
- increase brand awareness through marketing and brand promotion activities generally and in our target markets; and
- preserve our reputation and goodwill in the event of any negative publicity regarding customer service, Internet security, payment and escrow services, product quality, price or authenticity, or other issues affecting Rocket Internet SE, the companies in the Rocket Internet network or other businesses in the same industry.

In addition, Rocket Internet SE, its chief executive officer and the companies in the Rocket Internet network have from time to time been faced with negative coverage by the press and social media. Negative publicity about us, even if untrue or inaccurate, may harm our reputation, limit our ability to execute our strategic plan and to raise additional funds and may discourage key persons from continuing to devote their attention and energy to us. In addition, such publicity may negatively impact our ability to enter into, or continue, our commercial and strategic partnerships and framework agreements.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.19 *We may be the subject of anti-competitive behavior, harassing or other detrimental conduct by third parties including complaints to regulatory agencies, negative blog postings, and the public dissemination of malicious assessments of our business that could harm our reputation and cause us to lose market share, customers and revenue.*

As a result of the growth of the companies in the Rocket Internet network to date, we may be the target of anti-competitive behavior, harassing, or other detrimental conduct by third parties. Such conduct may include complaints, anonymous or otherwise, to regulatory agencies. We may be subject to government or regulatory investigation as a result of such third-party conduct and may be required to expend significant time and incur substantial costs to address such third-party conduct, and there is no assurance that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all.

Additionally, allegations, directly or indirectly against us, may be posted in internet chat-rooms or on blogs or websites by anyone, whether or not related to us, on an anonymous basis. Consumers value readily available information concerning internet companies and their offerings and often act on such information without further investigation or authentication and without regard to its accuracy. The availability of information on social media platforms and devices is virtually immediate, as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on the accuracy of the content posted. Information posted may be inaccurate and adverse to us, and it may harm our financial performance, prospects or business. The harm may be immediate and spread rapidly without affording us an opportunity for redress or correction. Our reputation may be negatively affected as a result of the public dissemination of anonymous allegations or malicious statements about our business.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.20 *We depend on talented, experienced and committed personnel to grow and operate our business and the companies in the Rocket Internet network, and if we are unable to hire, retain, manage and motivate our personnel, or if our new personnel does not perform as anticipated, we may be unable to grow effectively.*

Our future growth and success will depend upon our ability to identify, hire, develop, motivate and retain talented personnel with outstanding skills. There is no guarantee that we will be able to retain the services of any of our employees or other members of our senior management in the future. In the past, we have experienced some turnover of our senior management and other key personnel. In addition, from time to time, there may be changes in our senior management teams that may be disruptive to our business or the businesses of the companies in the Rocket Internet network. If we and our senior management teams fail to work together effectively, our business and results of operations could be harmed.

Our growth strategy also depends on our ability to expand our organization by attracting and hiring high-quality personnel. Identifying, attracting, recruiting, training, integrating, managing and motivating talented individuals requires significant time, expense and attention. Competition for talent is intense, particularly in technology-driven industries such as ours, and our competitors may be able to offer our potential or current personnel better pay, experience, benefits or opportunities. Failure to effectively recruit and retain talent could limit our ability to increase sales, expand operations and achieve other strategic objectives.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.21 We may not be able to maintain our culture, which has been a key to our success.

Since our foundation in 2007, we have evolved into a global network of companies conducting business in over 100 countries around the globe. The size of the Rocket Internet network of companies, and their different stages of development, have provided the companies in the Rocket Internet network with an unprecedented opportunity to benefit from synergies and network effects. In particular, we have a strong culture of knowledge sharing that has taken place on a regional, functional and business concept level. We also pride ourselves on our speed of execution, our openness to change and our pragmatic business approach, qualities which we believe are extremely important to our business model and our ability to quickly identify and implement new business concepts, and also attract the type of talented employees we seek to retain.

We face a number of challenges that may affect our ability to sustain our culture, and in particular our culture of cross-learning and openness, including:

- the increasing size and geographic diversity of the Rocket Internet network;
- failure or inability to identify and promote people in leadership positions in our organization who share our culture, values and mission;
- failure or inability to execute a management succession plan to replace our current generation of management leaders;
- competitive pressures to move in directions that may divert us from our mission, vision and values;
- the continued challenges of an ever-changing business environment;
- the growth of the companies in the Rocket Internet network, which may lead them to develop their own cultures and values which may conflict with ours;
- pressure from the public markets to focus on short-term results instead of long-term value creation;
- efforts to modify our corporate procedures in accordance with governance and reporting requirements for publicly listed entities;
- the increasing need to develop expertise in new areas of business that affect us; and
- the integration of new companies, business concepts and personnel.

The inability to maintain our culture, or the failure of our culture to deliver the long-term results we expect to achieve, whether due to the factors above or otherwise, could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.22 Many of the companies in the Rocket Internet network depend on third parties for their supply of merchandise or other goods and for the provision of logistics and other services, which they may fail to provide in a reliable or satisfactory manner.

The availability of popular and seasonal products, timely and reliable delivery and flexible payment options are important factors for many companies in the Rocket Internet network. These companies rely, to varying degrees, on third-party vendors and service providers to meet their customers' expectations. If the supply of merchandise or other goods from these third-party vendors worsens for any reason, affected companies may be unable to obtain the products that consumers want to purchase. The third-party vendors can typically discontinue selling merchandise or other goods to the companies in the Rocket Internet network at any time for reasons that may or may not be within our control. The inability of the companies in the Rocket Internet network to secure adequate and timely supplies of merchandise or other goods would harm their inventory levels and net revenue and may have a material and adverse effect on their financial performance and reputations.

Jumia, Lamoda, Zalora and many of the other companies in the Rocket Internet network have developed proprietary logistics and delivery systems to overcome the challenges of undeveloped transportation infrastructure in the markets where they operate. Nonetheless, many of the companies in the Rocket Internet network depend entirely or in part on cooperation with a number of local and international third-party logistics and delivery companies for the supply of products and the shipment of products to customers. The failure of any such third-party provider to meet its contractual obligations, adhere to delivery schedules or comply with specified quality and technical standards and specifications could adversely affect the business of the relevant company and its reputation. For example, interruptions to, or failures in, these third-parties' logistics and delivery services could prevent the timely or proper delivery of products to customers at shipping rates that they are willing to bear. These interruptions may be due to events that are beyond our control, the control of the companies in the Rocket Internet network, or the control of these logistics and delivery companies, such as inclement weather, natural disasters, transportation disruptions or labor unrest. These logistics and delivery services could also be affected or interrupted by industry consolidation, insolvency or government shut-downs. In emerging markets, where many of the companies in the Rocket Internet network operate, the risk of such an interruption occurring is even more pronounced than in mature markets.

We have entered into framework agreements with leading global technology companies to complement our technology platform and provide the Rocket Internet network of companies with standardized technology, online advertising and other services on the basis of framework agreements. We depend significantly on Rocket Internet SE's ability to procure the services offered by these suppliers on favorable terms, such as extended payment terms, improved service levels through a single point of contact for all companies in the Rocket Internet network, dedicated key account management and favorable termination provisions. Many of these service providers are industry leaders, and if our relationships with any of these providers were to deteriorate, or any of our framework agreements were to terminate, we may not be able to find an alternative provider offering the equivalent quality and scope of services. On the other hand, there are also technology service providers who do not accept termination for convenience rights with short notices. With regard to these agreements, there is a risk that companies receiving services from these partners may not be able to reduce and/or terminate the services during the term of the agreement. This might have an adverse effect on their financial performance. Moreover, these framework agreements do not ensure the availability of services or the continuation of particular payment terms or pricing practices in the long or medium term. Any non-compliance with contractual obligations by Rocket Internet SE or by companies in the Rocket Internet network might entitle the technology service partner to terminate the relevant agreements for good cause with immediate effect, which might have an adverse effect on the operations of the affected companies in the Rocket Internet network. Further, Rocket Internet SE might be held liable for breach of contract committed by Rocket Internet SE and/or any of the companies in the Rocket Internet network. In addition, these framework agreements typically do not restrict our partners from providing services to other companies, including our competitors. There is no guarantee that our current partners will continue to provide services to us on commercially acceptable terms, or at all, after the term of the current agreement expires, or that they will not terminate our existing services on short notice.

The companies in the Rocket Internet network also depend on our commercial and strategic partnerships with a number of third parties. To the extent these parties are unable to provide satisfactory services to the companies in the Rocket Internet network or our customers on commercially acceptable terms or at all, or if we fail to retain existing or attract new commercial and strategic partners, our ability to retain or attract vendors and customers may be severely limited.

The ability of our third-party partners to provide quality products and services to us at competitive prices may be adversely affected by economic conditions, labor actions, regulatory or legal decisions, natural disasters or other causes outside of our control. In the event that we are not able to obtain these products and services at favorable prices, revenue, cost of revenue and growth prospects of the companies in the Rocket Internet network may be materially and adversely affected.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.23 HelloFresh may not be able to retain existing subscribers or attract new subscribers.

One of the food and groceries companies in the Rocket Internet network, HelloFresh, offers fresh food at home based on a soft subscription model and delivers recipes with the necessary pre-portioned ingredients to opting subscribers on a weekly basis. Due to HelloFresh's subscription model, retaining existing subscribers and acquiring additional long-term active subscribers is particularly important for the company. In order to acquire additional subscribers, HelloFresh has incurred considerable marketing expenses in the past and will have to continue to spend money. However, there can be no assurance that the revenue from the subscribers that HelloFresh acquires will ultimately exceed the cost of its customer acquisition or other costs. If HelloFresh is unable to increase demand for its food boxes in line with its expectations or if demand does not reach critical mass, HelloFresh's results of operations and revenue would be materially adversely affected to such an extent that its business may fail.

Further, there is no guarantee that HelloFresh's existing subscribers will not reduce their spending on HelloFresh products, for example by suspending or even terminating their subscription. The expected overall revenue contribution of subscribers may also be negatively affected as a result of shifts in consumer behavior and preferences or due to changes in the offerings of current and future competitors. Efforts by HelloFresh to personalize its food boxes to its subscribers may fail, and HelloFresh may not create recipes that fit the taste preferences of its active subscribers. Further, any increase in the price of its products may lead to a decrease in demand from existing and potential subscribers. Since orders for HelloFresh's service are placed online, the growth of its business also depends on the growth of the internet as a platform for online consumer transactions.

HelloFresh's ability to attract and retain subscribers may be negatively impacted in the event of any food safety issues associated with its food boxes, including any occurrences of foodborne illnesses such as salmonella, E. coli and hepatitis A. New illnesses resistant to precautions currently undertaken by HelloFresh may develop in the future, or diseases with long incubation periods could arise that could give rise to claims or allegations on a retroactive basis. An outbreak of a food-borne illness and/or other widespread health-related food concerns could increase HelloFresh's costs in sourcing alternative suppliers and/or have an adverse impact on consumer preferences and spending. Furthermore, the food boxes received by HelloFresh's subscribers contain raw meat and produce, and any failure by subscribers to properly store and thoroughly cook HelloFresh's products before consumption could result in foodborne illness associated with the HelloFresh brand even if the ingredients were in good condition at the time of delivery to the relevant subscriber. One or more instances of foodborne illness caused, or perceived to be caused, by products in its food boxes could negatively affect HelloFresh's reputation and operations on a global scale if highly publicized on national and international media outlets or through social media. The occurrence of such an incident, or negative publicity or public speculation about such an incident, could negatively impact demand for HelloFresh's food boxes.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.24 Our online food takeaway companies may face a decrease in demand from customers and may encounter difficulties identifying and onboarding new restaurants.

Two of the food and groceries companies in the Rocket Internet network, Delivery Hero and foodpanda, operate online food delivery platforms. Due to their marketplace business model, these companies depend on a high number of active customers and participating restaurants. An increase in customers tends to attract more restaurants, and an increase in restaurants tends to attract more potential customers. However, any failure to maintain or increase the number of active customers, or maintain or increase the number of restaurants, may detract from the attractiveness of the company's platform for restaurants and customers, respectively. If Delivery Hero and foodpanda fail to retain their existing active customers or restaurants, especially their most popular restaurants, the value of Rocket Internet's stake in these companies may diminish.

In order for Delivery Hero and foodpanda to be successful and grow, existing and potential customers have to accept the value proposition of an online food delivery marketplace. However, demand for online food delivery may decrease for a number of reasons, including food-related health concerns and diminished use of the internet and mobile devices as a channel for online consumer transactions and other changes in consumer preferences and behavior. Any failure by Delivery Hero or foodpanda to provide a positive experience for consumers ordering food delivery online or respond to changing consumer preferences and behavior may jeopardize the success of these companies.

Successfully identifying and onboarding partner restaurants, which is critical to Delivery Hero's and foodpanda's growth and success, is a time-consuming and costly process. In order to provide an appealing variety of offerings, Delivery Hero and foodpanda need to identify restaurants that provide quality food in a timely manner. The process of onboarding new restaurants often includes investments in point-of-sale equipment and other investments in the restaurants, such as providing them with neon signs that can be mounted outside their restaurants. This process is time-consuming and costly. There can be no assurance that investments by Delivery Hero and foodpanda in their partner restaurants will pay off. In particular, there can be no assurance at the time of onboarding of restaurants that the offerings of the restaurants will not be rejected by consumers for reasons such as poor quality or long delivery times. Poorly performing restaurants may damage the reputation of the Delivery Hero and foodpanda brands. There can be no assurance that Delivery Hero and foodpanda can find suitable restaurants or that those restaurants will be willing to join their networks.

Moreover, we cannot always prevent our partner restaurants from joining multiple online food delivery platforms or from offering their products at lower prices via other channels.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows or results of operations.

1.1.25 Our online fashion companies may fail to anticipate and respond to changing fashion trends and consumer preferences in a timely manner.

Global Fashion Group, which groups the online fashion companies in the Rocket Internet network, operates on an e-commerce business model and offers clothing, shoes, accessories and other apparel products. Global Fashion Group's ability to sell a sufficient number of products at satisfactory price levels depends in particular on its ability to predict and respond to fashion trends and changing consumer preferences in a timely manner. The fashion retail industry is highly sensitive to changes in consumer preferences, fluctuations in fashion trends and weather patterns. Consumer preferences regarding fashion design, quality and price tend to change rapidly, and accurately forecasting the selection and required quantities of such products in future periods is difficult. Global Fashion Group endeavors to predict these trends correctly in advance and avoid overstocking or understocking of products. However, the demand for products can change significantly between the time products are ordered and the date of sale. In addition, the lead times Global Fashion Group must incur in taking delivery of merchandise from many of its suppliers pose challenges by increasing, in some cases significantly, the time it takes to respond to changes in product trends, consumer demand and market prices. As a result, Global Fashion Group faces the risk of not having the appropriate selection or the required quantities of products in order to satisfy customer demand. Global Fashion Group also faces the risk of carrying excess inventory which it might be unable to sell during the relevant selling seasons, or only by offering significant discounts. However, significant discounting may damage the relationships Global Fashion Group has with its suppliers and may damage the brands under which Global Fashion Group operates. If Global Fashion Group fails to anticipate and respond in a timely manner to fashion trends and consumer preferences and adjust its purchases and inventory accordingly, this may result in lost sales, sales at lower than anticipated margins and/or write-offs on inventories.

The Global Fashion Group regularly engages in financing rounds to raise additional capital. In the last financing round, the post-money valuation of Global Fashion Group was €1.03 billion, significantly below the former valuation of €3.04 billion. Due to this down round, our results for the six months ended June 30, 2016 were negatively affected by impairment losses of €359.9 million, of which €334.2 million relate to the proportionate share of impairments recognized on the Global Fashion Group level and €25.7 million to further impairment losses related to shares in Global Fashion Group recognized on the Group level.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.26 Our general merchandise companies depend on their relationships with certain significant suppliers, on the availability of a wide variety of products that appeal to their customers and on their ability to present such products to their customers in an attractive way.

The general merchandise companies in the Rocket Internet network, the most significant of which is Jumia, offer a broad assortment of consumer products, including consumer electronics, fashion, home and living, sporting goods, media and health and beauty products. The variety of products offered exposes these companies to significant inventory risks that may be exacerbated by seasonality, new product launches, rapid changes in product cycles and pricing, defective merchandise, changes in consumer demand and consumer spending patterns, changes in consumer tastes and other factors. Our general merchandise companies endeavor to accurately predict these trends and avoid overstocking or understocking products they offer. Demand for products, however, can change significantly between the time inventory or components are ordered and the date of sale. In addition, when our general merchandise companies begin offering a new product, it may be difficult to establish vendor relationships, determine appropriate product selection, and accurately forecast demand. The acquisition of certain types of inventory or components may require significant lead-time and prepayment and they may not be returnable, a risk that is exacerbated by relatively high return rates typical for the online shopping industry. Due to the broad selection and higher inventory levels of certain products, our general merchandise companies may be unable to sell products in sufficient quantities or during the relevant selling seasons.

Our general merchandise companies have significant suppliers and in some cases, limited or single-sources of supply of their products. Typically, our general merchandise companies do not enter into long-term arrangements with their suppliers and there can be no assurance of availability of merchandise, particular payment terms or the extension of credit limits. If the current suppliers of our general merchandise companies were to stop selling merchandise to them on acceptable terms, or delay delivery, including as a result of one or more supplier bankruptcies due to poor economic conditions, as a result of natural disasters, or for other reasons, our general merchandise companies may be unable to procure alternatives from other suppliers in a timely and efficient manner and on acceptable terms, or at all. In addition, if our general merchandise companies' suppliers or other vendors violate applicable laws or regulations or implement practices regarded as unethical, unsafe, or hazardous to the environment, it could damage our general merchandise companies' reputations, limit their growth, and negatively affect their operating results.

If our general merchandise companies fail to offer the products and brands in demand by their customers, if our general merchandise companies are unable to present such products on their websites in an attractive way and at competitive prices, if our general merchandise companies fail to successfully launch country-specific websites presenting products in the country-specific language or if customers regard their fulfillment capabilities, in particular delivery, returns and payment, as not entirely convenient, our general merchandise companies may be unable to attract new customers, may lose existing customers or may be faced with reduced volumes of purchases on their websites.

In August 2016, Linio, one of our general merchandise companies, raised up to €50 million in a new financing round. In this financing round, Linio was valued at €100 million pre-money (including agreed roll-up steps), corresponding to about one-fourth of Linio's valuation immediately before this financing round.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.27 The companies that form our Home & Living segment may be unable to effectively manage inventory levels and, as a result, may encounter loss of sales, increased delivery times, increased costs of maintaining inventory and losses on excess inventory.

The Rocket Internet network includes two companies that operate in the Home & Living sector, Westwing and Home24. Westwing focuses on a curated selection of home design products, and Home24 operates as an online retailer with a broad assortment of home and living furnishings. The success of these companies depends, in part, on their ability to offer products that their customers want and to deliver those products in a timely manner. Customer preferences regarding price, quality and design tend to change rapidly, in particular in relation to home and living products, and accurately forecasting the selection and required quantities of products in future periods is not possible. If Westwing and Home24 do not correctly anticipate the popularity of the products they each offer or if they do not accurately anticipate the lead time for new inventory, the respective inventory levels of these companies may not be appropriate. Westwing and Home24 may not be able to avoid overstocking or understocking of products due to shifting customer preferences. Westwing and Home24 may be unable to sell any excess inventory during the relevant selling seasons, or only by offering significant discounts. However, significant discounting may damage the relationships these companies have with suppliers and may damage the Westwing and Home24 brands. If Westwing and Home24 fail to anticipate and respond to shifting customer preferences in a timely manner and adjust their purchases and inventory accordingly, Westwing and Home24 may face a loss of sales, a loss of customers who are unsatisfied with delivery times or increased costs of maintaining inventory and the risk of losses on excess inventory.

In order for Westwing and Home24 to be able to offer a broad selection of home and living products, Westwing and Home24 must maintain their existing relationships or build new relationships with suppliers of attractive products on acceptable commercial terms. If Westwing and Home24 are unable to generate the envisaged sales of the respective supplier's products, Westwing and Home24 may be unable to maintain and/or expand their respective supplier networks, which would negatively impact their businesses. If suppliers in Westwing's and Home24's networks were to cease operations, temporarily or permanently, face financial distress or other business disruption, or if Westwing's and Home24's relationships with suppliers in their respective networks deteriorate, Westwing and Home24 may lose customers to competitors that have a more extensive selection of products, and, in turn, the remaining suppliers may seek other sales outlets that have a larger customer base.

Demand for the products and services offered by Westwing and Home24 depends on consumer acceptance of the online market for home and living furnishings, which is less developed than the online market for a number of other goods and services including apparel and consumer electronics. The success of Westwing and Home24 will depend, in part, on their ability to tailor their platforms to attract consumers who have historically purchased home and living furnishings through traditional brick-and-mortar retailers. Any failure to meet the expectations of Westwing's and Home24's existing or potential customers could lead to a decline in demand for online ordering of home and living products.

In September 2016, Home24 raised €20 million in a financing round. In this financing round, Home24 was valued at €420 million post-money, compared to a post-money valuation of €981 million prior to this financing round.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.28 An increase in customer return rates might increase the costs and harm the business of certain of the companies in the Rocket Internet network.

A significant number of companies in the Rocket Internet network, most notably the online fashion companies and the Home & Living companies, are exposed to risks in connection with customer returns. Rocket Internet SE believes that customer returns are a natural consequence of selling certain products online, as well as an expression of generally expected service standards. If the relevant companies within the Rocket Internet network fail to manage and meet customer expectations with regard to the purchased products or if the return rates of the customers increase for other reasons (*e.g.*, changes in customer behavior or the abuse of the applicable return policy by persons not actually willing to purchase the products), this could increase operating costs and the companies could lose current or potential customers. In addition, customer returns also make it more difficult for the companies to manage their inventory, which may be exacerbated by a fluctuation in return rates.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.29 The companies in the Rocket Internet network that operate in the travel sector may be adversely affected by declines or disruptions in the travel industry.

A number of companies in the Rocket Internet network operate in the travel sector. One of these companies, Traveloka Holding Limited (together with the legal entities in which it holds a direct or indirect stake and that operate under the Traveloka brand, "**Traveloka**"), operates an online flight search engine and hotel booking platform. The travel industry, including airline ticket and hotel room reservations, is dependent on discretionary spending levels. As a result, sales of travel services tend to decline during general economic downturns and recessions when consumers engage in less discretionary spending, are concerned about unemployment or inflation, have reduced access to credit or experience other concerns or effects that reduce their ability or willingness to travel. Moreover, a decline in the travel industry tends to drive down prices for flights and hotels across the sector, which has a direct and adverse effect on the portion of Traveloka's revenue that is based as a percentage of reservation costs. The uncertainty of macro-economic factors and their impact on consumer behavior, which may differ between countries and across regions, makes it more difficult to forecast industry and consumer trends and the timing and degree of their impact on Traveloka's markets and business, which in turn could adversely affect Traveloka's ability to effectively manage its business.

In addition, unforeseen events beyond our control, such as oil prices, terrorist attacks, unusual or extreme weather or natural disasters such as earthquakes, hurricanes, tsunamis, floods, droughts and volcanic eruptions, travel-related health concerns including pandemics and epidemics such as Ebola, Zika, Influenza H1N1, avian bird flu, SARS and MERS, political instability, regional hostilities, imposition of taxes or surcharges by regulatory authorities or travel-related accidents, can disrupt travel or otherwise result in declines in travel demand. Because these events or concerns are largely unpredictable, they can dramatically and suddenly affect travel behavior by consumers, and therefore demand for Traveloka's services, which can adversely affect Traveloka's business and results of operations. Future terrorist attacks, natural disasters, health concerns or civil or political unrest could further disrupt Traveloka's business and operations and adversely affect Traveloka's results of operations.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.30 Our technology platform and our infrastructure are essential to us, and any failure to maintain the satisfactory performance of our technology platform and infrastructure may materially adversely affect our business and reputation.

Our proprietary technology platform provides the Rocket Internet network of companies with standardized solutions for a range of internet business models. Because our technology platform is designed to address the complete business cycle needs of the companies in the Rocket Internet network, these companies depend on the efficient and uninterrupted operation of our computer and communications hardware systems, network infrastructure, software applications, internal technology systems and data networks for their development, marketing, customer support, sales, logistics, accounting and finance functions. A disruption or failure of these systems could be caused at any time by human errors, a natural disaster, telecommunications failure, power outage, cyber-attack, war, terrorist attack or other catastrophic event. Any of these events could result in system interruptions, delays, breaches of data security, loss of critical data, inability to timely and/or satisfactorily fulfill customer orders or provide services to customers, and reputational harm. In addition, because the companies in the Rocket Internet network rely on the same technology platform, any disruption or failure of our systems is likely to impact a number of companies in the Rocket Internet network at the same time. Any system interruptions that cause our websites to be unavailable to web browsers or mobile users may negatively impact our revenue and may reduce the attractiveness of our websites to direct and mobile users, to vendors and to third-party content providers, including advertisers. As a result, our reputation could be materially adversely affected. Direct users or third-party content providers may become unwilling to use websites of companies in the Rocket Internet network.

Rocket Internet SE licenses software to the companies in the Rocket Internet network, in particular software regarding the operation of the companies' platforms. Regarding such licenses, it cannot be excluded that Rocket Internet SE may, despite contractual limitations, become liable to damage claims from the licensee, for example due to malfunctions of the software or disruption of business. Furthermore, such risks may also apply to any maintenance and other information technology services provided by Rocket Internet SE to its companies.

Catastrophic events could severely affect our ability to conduct normal business operations. There is no guarantee that the companies in the Rocket Internet network have disaster recovery plans in place or that these plans will address all of the issues we may encounter in the event of a disaster or other unanticipated issue, and the business interruption insurance of the companies in the Rocket Internet network, if they have such insurance, may not provide adequate compensation for losses incurred from any of the foregoing events.

We use third-party telecommunications providers for internet and other telecommunication services. Similarly, we engage third-party facility providers for our hosting facilities and related infrastructure. Service to our customers could be interrupted by a hosting provider's decision to close a facility or terminate operations, or by other unanticipated problems. Any of those third-party providers may fail to perform their obligations adequately, and any third-party systems may fail to operate properly or become disabled for varying periods of time, causing business interruption, system damage and/or reputational harm.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.31 Our business may be disrupted if we are unable to upgrade our technology platform to meet increased demand.

We have made significant investments in our software, which we license to the companies in the Rocket Internet network against payment of a one-off fee. The companies in the Rocket Internet network adapt the software to their local needs and often make improvements that we seek to integrate in our master. As traffic on our websites continues to increase, we will need to expand and upgrade our platform to meet increased demand. To date, Rocket Internet SE and the companies in the Rocket Internet network have invested significant effort in the development and expansion of our technology platform, and we are continuously developing our technology platform to meet our needs and those of the companies in the Rocket Internet network. However, we may be unable to accurately project capacity limits on our platform and the rate of increase in use of our websites. Accordingly, we may not make timely investments in our platforms or may spend too much and may not be able to recoup the investments in the future. In addition, we may not be able to expand and upgrade our systems and network hardware and software capabilities to accommodate increased or different use of our websites.

If we are unable to appropriately upgrade our systems and network hardware and software, the operations and processes of the companies in the Rocket Internet network may be disrupted, which could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.32 Third-party attempts to breach our networks or data security, or the existence of any other security vulnerabilities, may damage our reputation and adversely affect our business.

Our customers rely on the security of our computer networks and infrastructure for achieving reliable service and the protection of customer data. As part of our business services, we receive, store, and transmit sensitive personal data and confidential payment, bank accounts and credit card information of customers and advertisers. This information could become subject to computer break-ins, theft or other improper activity by outside parties that could jeopardize the security of information handled by us or cause interruptions in the operations of our business. Our networks and data security may also be breached due to employee error, malfeasance or otherwise. Additionally, outside parties may attempt to fraudulently induce employees, customers or advertisers to disclose sensitive information in order to gain access to our data and accounts or those of our customers or advertisers. It cannot be excluded that we may become liable to damage claims or any claims in relation thereto.

We may incur significant costs to alleviate problems caused by actual or perceived security vulnerabilities. These costs could reduce the operating margins of the companies in the Rocket Internet network and expose us to litigation, loss of customers, reputational damage and other business harm. While we work with the companies in the Rocket Internet network to implement security best practices, we cannot guarantee that these companies will implement adequate security measures. In addition, security vulnerabilities or problems at one of our competitors may quickly spread to others, even to those that have implemented what they believed to be sufficient safeguards.

Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. Any such breach or unauthorized access could result in significant legal and financial exposure, a loss of confidence in the security of our products and services, and damage to our reputation, including to the reputation of companies not directly affected by the security breach. The risk that these types of events could seriously harm the companies in the Rocket Internet network is likely to increase as we expand the number of products and services we offer, increase the size of our user base and operate in more countries.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.33 Rocket Internet SE may not be able to establish or maintain an efficient system of internal controls over financial reporting, and its finance department may not be adequate to meet the needs of our growing business.

As we seek to scale the companies in the Rocket Internet network from newly founded businesses into larger companies, we subject the companies in the Rocket Internet network to tight financial controls. However, the geographic footprint of Rocket Internet SE and the companies in the

Rocket Internet network, with activities in more than 100 countries and a large number of employees, adds to the complexity of establishing and maintaining a system of internal controls and adds to the risk of a system failure, an undetected improper use or expenditure of funds or other resources by a company, a failure to properly report a transaction or the financial results of a subsidiary, or a failure to acquire proper documentation or necessary shareholder approval. We may also be unable to implement adequate internal controls at the companies in the Rocket Internet network, particularly those that Rocket Internet SE does not directly or indirectly control or does not exercise significant influence over. Any failure to establish or maintain an effective system of internal controls over financial reporting could limit our ability to report our financial results accurately and in a timely manner or to detect and prevent fraud.

We rely heavily on Rocket Internet SE's finance department with respect to our funding process. As a globally expanding organization, there is a risk that the size, the scope and the focus of Rocket Internet SE's finance department may not have been sufficient in the past to meet the growing demands of our organization, and may not be sufficient going forward. In addition, we may not have developed and implemented all necessary internal controls required by law.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.34 Rocket Internet SE's financial results may be volatile, which could cause its share price to fluctuate.

We expect that Rocket Internet SE's annual and interim results will fluctuate significantly due to many factors, including:

- sales of equity securities of the companies in the Rocket Internet network, which could cause Rocket Internet SE to recognize gains or losses under applicable accounting rules;
- changes in the methods of accounting and in particular consolidation for the interests in the companies in the Rocket Internet network, which may result from changes in Rocket Internet SE's direct or indirect ownership percentages in the companies in the Rocket Internet network;
- fluctuations in exchange rates, particularly considering that we do not hedge such fluctuations;
- changes in income related to the acquisition or divestiture of interests in the companies in the Rocket Internet network;
- fluctuations in the results of the companies in the Rocket Internet network;
- impairments of goodwill and other assets (especially investments in network companies); and
- seasonal fluctuations and other external forces, such as weather conditions.

Accordingly, we believe that period-to-period comparisons of Rocket Internet SE's results do not provide the most accurate portrayal of our performance. Any fluctuations in Rocket Internet SE's interim or annual financial results could have a material adverse impact on Rocket Internet SE's share price and may lead to significant losses for investors.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.1.35 Changes in exchange rates can have an impact on Rocket Internet SE's consolidated financial statements.

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 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 the financial statements of subsidiaries having a different functional currency into the reporting currency are recognized in equity in Rocket Internet SE's consolidated financial statements. Foreign exchange differences that result from exchange rate changes when translating monetary balance sheet items in foreign currency are recognized in Rocket Internet SE's consolidated statement of comprehensive income under other operating expenses or income.

1.1.36 Rocket Internet SE's audited consolidated financial statements do not fully reflect the operating performance of our unconsolidated companies.

Rocket Internet SE's audited consolidated financial statements do not fully reflect the financial performance of all of the companies in the Rocket Internet network. Because Rocket Internet SE does not control any of our Selected Portfolio Companies, which are the largest and most mature companies in the Rocket Internet network, and certain of our New Businesses & Investments, Rocket Internet SE does not fully consolidate these companies in its consolidated financial statements, but accounts for them at equity or as financial instruments. To the extent Rocket Internet SE has significant influence over a company, it is consolidated at equity, which means that the carrying amount of Rocket Internet SE's investment in such company is adjusted to reflect Rocket Internet SE's proportionate share of such company's net operating gain or loss for the period. Any such changes in the carrying amount will impact the line item "Share of profit/loss of associates and joint ventures", other comprehensive income/loss or other equity items in Rocket Internet SE's consolidated financial statements. Those companies, over which Rocket Internet SE does not even have significant influence, are accounted for as financial instruments and typically valued at fair value. Income and expenses of companies accounted for at equity are only proportionally recognized in an aggregated form in Rocket Internet SE's consolidated financial statements. For investments in network companies classified as financial assets only fair value changes are recognized in Rocket Internet SE's consolidated statement of comprehensive income. Due to the absence of control over the companies that are accounted for at equity or as financial instruments, Rocket Internet SE does not have unrestricted access to the financial statements of these companies and other information relating to them. Accordingly, we may not be in a position to independently evaluate their performance. As an example, Rocket Internet SE holds, as of the date of this prospectus, a 37.3% stake (calculated on a fully diluted basis) in DHH but does not have unrestricted access to its financial statements and other information relating to DHH.

As a result, potential investors will have to base their investment decision on limited audited financial information that does not reflect the operating performance of the companies in the Rocket Internet network that are not fully consolidated. An investment in Rocket Internet SE may not be a suitable investment for all investors.

1.2 Legal and Regulatory Risks

1.2.1 Government regulations of the internet and e-commerce in the countries in which we are conducting business are evolving and may change in a manner that is unfavorable, and we may fail to comply with applicable regulations.

Government regulations and legal uncertainties in the countries in which we are conducting business may place financial burdens on our business and the businesses of the companies in the Rocket Internet network. The current legal framework requires us to comply with a number of laws, rules and regulations, in particular in the areas of data protection, cybersecurity and intellectual property in the jurisdictions in which the companies in the Rocket Internet network operate. While we are currently not aware of any material breach by us of these laws, rules and regulations, we cannot rule out that we may not have been in full compliance with these provisions in the past and we may not presently be, or fail to be in the future, in full compliance with them.

As the internet continues to revolutionize commercial relationships on a global scale, and as the use of the internet and mobile devices in everyday life becomes more prevalent, new laws and regulations relating to the internet may be adopted. These laws and regulations may cover issues such as the collection and use of data from website visitors and related privacy issues, pricing, content, copyrights, trademarks, online gambling, distribution and quality of goods and services. The adoption or modification of laws or regulations relating to the internet could adversely affect the business of the companies in the Rocket Internet network by increasing their costs and administrative burdens. In addition, privacy-related regulation of the internet could interfere with the strategies of the companies in the Rocket Internet network that collect and use personal information as part of their marketing efforts or businesses.

Laws and regulations directly applicable to communications or commerce over the internet are becoming more prevalent. For instance, the European Union has enacted a data protection and privacy directive requiring all member states to implement laws relating to the processing and transmission of personal data. We must comply with these regulations in the European Union, as well as with other regulations in other countries where the companies in the Rocket Internet network may do business. In addition, the growth and development of the e-commerce market may prompt calls for more stringent consumer protection laws, both in the European Union and abroad. In addition, we cannot rule out that any personal data is not handled in compliance with all applicable laws by us or third parties.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows and results of operations, and directly or indirectly on Rocket Internet SE’s business, financial condition, cash flows, results of operations and the value of its direct and indirect interests in the companies in the Rocket Internet network.

1.2.2 Conducting business in more than 100 countries around the globe requires us to comply with numerous, complex and sometimes conflicting legal and regulatory requirements.

We are active across Europe, North and South America, Russia, Asia Pacific (excluding China), Africa and the Middle East. As a result, we are subject to laws and regulations in each of the over 100 jurisdictions where the companies in the Rocket Internet network operate. As we continue to expand the geographic reach of our operations, the number of laws and regulatory regimes to which we are subject will increase. Laws and regulations applicable to our international business include laws and regulations concerning local employment, privacy, data security, telecommunications, online content, intellectual property protection, corporate, tax, finance, money laundering, online payment, anti-corruption and international sanctions. These various laws and regulations are often evolving and sometimes conflict. While we are not aware of any material breach by us of applicable laws and regulations, we cannot rule out that we may not have been in full compliance with these laws and regulations in the past and we may not presently be, or fail to be in the future, in full compliance with them.

Many of our markets are challenging in their complexity, and the companies in the Rocket Internet network must develop solutions to address each challenge, including the problem of opaque legal systems. At any time, authorities in the countries where we operate may require new and additional licenses, permits and approvals from us and potentially some of our users. There is no assurance that any required licenses, permits and approvals can be obtained in a timely or cost-effective manner. In addition, authorities may revoke existing licenses and we may not be made aware or able to appeal any such revocations in a timely manner or at all.

We currently focus on five industry sectors: fashion, food & groceries, general merchandise, home & living and travel, each of which is subject to a different set of laws and regulations particular to that sector. Compliance with the complex national, regional and international laws and regulations that apply to each segment of our operations increases our cost of doing business, interferes with our ability to operate competitively in one or more countries and may require changes in business practices that result in reduced revenue. As the application of foreign direct investment laws and regulations, license rules and similar rules and regulations is often unclear, they are subject to multiple interpretations, particularly by different courts, regulators and other players in the legal community, which may differ from the interpretations we chose. Furthermore, the applicable legal framework may change to our detriment, including in response to lobbying efforts by competitors. In addition, in particular the rendering of logistics services is subject to intense regulation. There is no assurance that the competent authorities will interpret the applicable laws and regulations in the same way as we and our partners do and will not object to our and our partners' operations, which could lead to the imposition of fines and could require us and our partners to abandon operations in that jurisdiction.

As these laws and regulations continue to evolve and the companies in the Rocket Internet network expand into jurisdictions where we are not already present, compliance will become more complex and expensive, and the risk of noncompliance will increase. The risk of noncompliance may also arise from the rapid, highly standardized process in which we identify and enter a target market and from the pressures to build a company and scale up to a market leadership position before our competitors do so. In order to allow for swift execution, we sometimes have to make executive decisions in which taking a risk may have to be weighed against the advantages of moving forward quickly. While we seek to clear any remaining risks as quickly as possible, we may not have enough time to analyze each legal risk in detail.

Safeguards to discourage violations of applicable laws by our management and employees may prove less effective than anticipated. It cannot be ruled out that employees of Rocket Internet SE or of the companies in the Rocket Internet network will violate, or have violated, legal or regulatory provisions. Also, it cannot be ruled out that employees, agents or authorized persons of Rocket Internet SE or the companies in the Rocket Internet network, in connection with the negotiations of agreements, licenses, permits, regulatory approvals or inspections, have accepted, granted or promised advantages or will accept, grant or promise such advantages or have engaged, currently engage or will engage in unfair business practices. The rapid growth of the companies in the Rocket Internet network and the limited experience of our management team and the management teams of the companies in the Rocket Internet network may further impair our ability to detect such violations.

Compliance violations may harm our reputation and result in legal actions, severe criminal and civil sanctions, or administrative fines and penalties against Rocket Internet SE or the companies in the Rocket Internet network, or members of their governing bodies and their employees. They may also result in damage claims by third parties or other adverse legal consequences, including class action lawsuits and enforcement actions by national and international regulators resulting in the limitation or prohibition of our conduct of business. There is no guarantee that we can successfully manage or avoid any of the legal risks to which we are exposed, and noncompliance with the legal and regulatory frameworks that govern our operations, whether intentional or not, may have substantial consequences for the companies in the Rocket Internet network, including causing them to cease their operations entirely.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.2.3 Some of the companies in the Rocket Internet network do business in countries where corruption is considered to be widespread, and we are exposed to the risk of extortion and violation of anti-corruption laws and regulations.

Anti-corruption laws and regulations in force in many countries generally prohibit companies from making direct or indirect payments to civil servants, public officials or members of governments for the purpose of entering into or maintaining business relationships. Certain of the companies in the Rocket Internet network conduct business in, or may expand their business to, countries where corruption and extortion are considered to be widespread, and the companies in the Rocket Internet network may require approvals from, or completing certain formalities with, public officials. As a result, we are exposed to the risk that employees, agents or authorized persons of Rocket Internet SE or the companies in the Rocket Internet network could make payments or grant hidden benefits in violation of anti-corruption laws and regulations, especially in response to demands or attempts at extortion. In addition, our current internal controls, prevention and training programs may prove to be insufficient. Employees, agents or authorized persons of Rocket Internet SE or the companies in the Rocket Internet network may have been or could be engaged in activities for which we or our relevant officers could be held liable.

In addition, some anti-corruption laws and regulations may require that proper books and records be maintained, and that controls, procedures and internal regulations be implemented in order to ensure that the operations of a given entity do not involve corruption, illegal payments or extortion. The great diversity and complexity of these local laws and regulations and the expansive nature of the business conducted by the companies in the Rocket Internet network in various countries and markets create a risk that, in some instances, we may be deemed liable for violations of local laws and regulations, in particular, in connection with a failure to comply with those laws and regulations relating to books and records, or reporting, among others.

Any violation or breach of these anti-corruption laws and regulations could affect the overall reputation of Rocket Internet SE or the companies in the Rocket Internet network and, depending on the case, expose us to administrative or judicial proceedings, which could result in criminal and civil judgments, including a possible prohibition on maintaining business relationships with suppliers or customers in certain countries.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.2.4 The companies in the Rocket Internet network may become liable to their customers and lose customers if they have errors or defects in their products or services or disruptions in their service.

A large number of the companies in the Rocket Internet network, such as the companies in the Global Fashion Group, Home24, Jumia and HelloFresh, sell retail products to customers online and deliver these products to the desired destination, a business model which entails an inherent risk of product liability. The broad assortment of goods, which includes fashion items, general merchandise, home and living retail products and groceries, offered by the companies in the Rocket Internet network exposes those companies to potential liability in a wide variety of product liability claims and claims related to the hygiene of foodstuffs. There is no guarantee that the companies in the Rocket Internet network will be able to maintain or acquire adequate product liability insurance in the future to cover the risks of their business. In addition to the direct financial impact of claims made against the companies in the Rocket Internet network, such claims may damage our reputation or the reputation of the companies in the Rocket Internet network, which in turn could impact their ability to retain a loyal user base and negatively impact their revenue and profitability. As a result, any product liability claim could have a material adverse effect on a company's business, financial condition, cash flows and results of operations, and indirectly on Rocket Internet SE's business, financial condition, cash flows, results of operations and the value of its interests in the companies in the Rocket Internet network.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows, results of operations and the value of its direct and indirect interests in the companies in the Rocket Internet network.

1.2.5 The companies in the Rocket Internet network may be subject to allegations and lawsuits concerning the content of their websites or claiming that items listed on their websites are pirated, counterfeit or illegal.

A number of companies in the Rocket Internet network, such as Jumia, operate a marketplace platform where third-party sellers can offer their products and be in direct contact with customers. It is possible that customers or regulatory authorities will allege that items offered or sold through these companies by third-party sellers infringe third-party copyrights, trademarks and patents or other intellectual property rights. The companies in the Rocket Internet network may therefore be subject to allegations of civil or criminal liability for unlawful activities carried out by third parties through their online marketplaces. Furthermore, third-party sellers whose content is removed or items are delisted by the relevant company, regardless of the company's compliance with the applicable laws, rules and regulations, may dispute their actions and commence action against the company for damages based on breach of contract or other causes of action or make public complaints or allegations. The public perception that counterfeit or pirated items are commonplace on any of our online marketplaces or any costs incurred as a result of liability or asserted liability relating to the sale of unlawful goods or other infringement could harm our reputation and brand.

All of the companies in the Rocket Internet network operate largely by making content available to users through the Internet. This creates the potential for claims to be made against us based on, for example, defamation, negligence, personal injury, invasion of privacy or other legal theories. Providers of Internet products and services have been sued in the past, sometimes successfully, based on the content available through their websites. Much of the content provided by the companies in the Rocket Internet network on their websites is drawn from information compiled by outside sources, and this information may contain errors. If the website content of any of the companies in the Rocket Internet network is improperly used, or if any of them supply incorrect information or publish allegedly infringing material, they could be subject to liability. Moreover, any of the companies in the Rocket Internet network that incur this type of liability may not have insurance or sufficient coverage to cover such claims. If any of the companies in the Rocket Internet network incur substantial costs because of this type of liability, their expenses will increase and their profits, if any, will decrease, which may also limit their growth.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows and results of operations, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows, results of operations and the value of its direct and indirect interests in the companies in the Rocket Internet network.

1.2.6 *The companies in the Rocket Internet network may be subject to numerous and stringent regulations concerning financial technology in the jurisdictions where they operate.*

Some of the companies in the Rocket Internet network operate in the highly regulated financial technology industry. In most countries, consumer credit regulatory agencies regulate and enforce laws relating to consumer lenders and sales finance companies, to which similar companies in the Rocket Internet network are typically subject. The legal and regulatory framework under which many of these companies, and in particular those companies with a peer-to-peer business model, operate is often based on our interpretation of existing laws or regulations. Because the application of these laws and regulations is often unclear, they are subject to multiple interpretations, particularly by different courts and regulators, which may differ from the interpretations we chose. It cannot be excluded that the companies in the Rocket Internet network may become liable to damage claims or any claims in relation thereto. Furthermore, new proposals for legislation may continue to be introduced that could substantially increase regulation of the financial technology industry or impose restrictions on the operations of the companies in the Rocket Internet network and their ability to implement their business strategy.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.2.7 *We may be subject to litigation proceedings that could disrupt and harm our business.*

We may be subject to legal claims involving shareholder, consumer, competition and other matters. Litigation is subject to inherent uncertainties, and unfavorable rulings could occur. An unfavorable ruling could include monetary damages or, in cases for which injunctive relief is sought, an injunction prohibiting one or more of the companies in the Rocket Internet network from performing a critical activity, such as selling its products or services. If we were to receive an unfavorable ruling in a litigation matter, our businesses, financial condition, the value of our interests in the companies in the Rocket Internet network, cash flows and results of operations could be materially harmed. Even if legal claims brought against us are without merit, defending lawsuits could be time-consuming and expensive and could divert management's attention from other business concerns.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.2.8 *We may not be able to adequately protect our intellectual property rights or may be accused of infringing the intellectual property rights of third parties.*

The companies in the Rocket Internet network execute business concepts that are often new to the geographic markets in which they operate. In support of this innovation, we typically develop proprietary techniques, trademarks, processes and software, which may constitute an important part of our assets and competitive strengths and those of the respective company. The complexity of international copyright, trademark, patent and trade secret law, coupled with the limited resources of these young companies and the demand for quick delivery of products and services to market, create risks that efforts to protect such rights will prove inadequate. It is also possible that third parties may develop similar intellectual property independently. Further, the nature of internet business results in considerable detail about us being exposed to our competitors in order for our websites to attract customers. We may be unable to prevent third parties from acquiring domain names that are similar to, infringe upon or otherwise decrease the value of our trademarks and other proprietary rights. The failure to adequately protect our intellectual property could lead to a loss of customers to competitors and a corresponding loss in revenue and may render certain of the companies in the Rocket Internet network unprofitable or unable to effectively compete in the market.

At the same time, our business model involves transposing proven business concepts into new, untapped markets, with the risk that third parties may assert claims against us based on their patents and other intellectual property rights related to those business concepts. We may have to pay substantial damages if we infringe third-party patents or other intellectual property rights. The companies in the Rocket Internet network may have to obtain a license to sell their products if it is determined that their products infringe on another person's intellectual property, and they may be forced to change their goals, operations or strategies due to an infringement or potential infringement of third-party intellectual property. We might be prohibited from selling our products before we obtain a license, which, if available at all, may require us to pay substantial royalties. Some of the companies in the Rocket Internet network already license content from third parties, and it is possible that they could become subject to infringement actions based upon the content licensed from those third parties, if, for instance, the licensing terms of open source software used by the companies in the Rocket Internet network were to change. Representations as to the ownership of such licensed content may not adequately protect the companies in the Rocket Internet network. Even if infringement claims against us are without merit, defending these types of lawsuits takes significant time, is expensive and may divert management attention from other business concerns. In addition, it cannot be excluded that Rocket Internet SE may become liable to damage claims or any claims in relation thereto.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.2.9 As we use a large number of very similar shareholders' agreements, if a court were to invalidate one or more of our standardized shareholders' agreements, the validity of a large number of our shareholders' agreements could be in jeopardy; additionally, we may not be in compliance with all the provisions of our various shareholders' agreements and other agreements.

We typically enter into shareholders' agreements or investment agreements in connection with financing rounds, and these agreements typically have terms and conditions that are substantially similar to each other. While we believe the terms of our agreements are enforceable and would be held up if challenged before a court, there is no guarantee that a judge would not invalidate or void all or a portion of our shareholders' agreements. If one or more of our agreements were to be invalidated or voided for any reason, the validity of all our other agreements with similar terms may also be challenged, and may subsequently be found to be unenforceable.

In addition, we may not currently be, and may not be in the future, in compliance with all of the provisions under our various shareholders' agreements. For example, we may have taken a decision that would require the approval of the other shareholders, such as a decision on a major investment, without having consulted with and having obtained the prior approval of the other shareholders.

Further, we are an organization that has been growing rapidly and has entered into a large number of contractual arrangements with a significant number of different counterparties. While we currently have no indication of a material breach by us of an agreement to which we are a party, we have violated certain terms of agreements to which we are a party in the past and cannot rule out that we will violate agreements in the future.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.3 Tax Risks

1.3.1 As a fast-growing and internationally expanding network of companies which has experienced a large number of significant exits, mergers and restructurings in quick succession, we face unsettled tax questions. It is more difficult for us to assess potential tax risks arising from unaudited fiscal years than for more established companies. We may therefore more likely be required to pay significant additional taxes following future tax audits and ongoing tax assessments than more established companies.

As a fast-growing and internationally expanding company, we face unsettled tax questions and it is more difficult for us to assess potential tax risks arising from unaudited fiscal years than it is for more established companies. For instance, following Rocket Internet SE's most recently tax audited fiscal year 2009, we experienced a large number of significant exits, mergers and restructurings in quick succession, changes in the shareholding structure of the Rocket Internet network of companies and other reorganization measures. The taxation of many of these transactions depends, among other things, on the accurate assessment of the fair market value of shares in privately-held legal entities or the absence or existence of certain tax-relevant intentions. There is no assurance that the tax authorities will agree with the valuations on which we have based our reporting of these transactions or the tax positions that we have taken. In addition, tax authorities may take the view that built-in gains (*stille Reserven*) may have been inadvertently realized resulting in an increase in our taxable income. Similar risks exist with respect to the companies in the Rocket Internet network and local entities, both in the country of their incorporation as well as in the countries in which they operate.

Many of the transactions subject to tax audit were completed prior to Rocket Internet SE's initial public offering and listing on the Frankfurt Stock Exchange in October 2014. As a result of being listed on a stock exchange, a market price for Rocket Internet SE's shares, which may be seen as an indicator of our fair market value, is now readily available. Therefore, tax authorities reviewing transactions completed prior to October 2014 may try to derive historic valuations of the companies in the Rocket Internet network from the current market valuation of Rocket Internet SE. We cannot rule out that, with the benefit of hindsight, tax authorities may claim that certain transactions intended to be implemented at fair market value or at arm's length do not meet these requirements.

Rocket Internet SE's next tax audit will commence in October 2016 covering the fiscal years 2010 to 2015, but could be extended to cover not just Rocket Internet SE's, but also other companies in the Rocket Internet network. Given that Rocket Internet SE's fiscal years from 2010 onwards as well as most of the companies in the Rocket Internet network have not yet been audited by the relevant tax authorities, we cannot rule out being required to pay significant additional taxes following tax audits, which we expect to be conducted in the near future. In addition, as some of the companies in the Rocket Internet network have historically been late in filing their tax declarations, no tax assessments have been received for some of these companies in recent years. Any tax assessments that deviate from our expectations could lead to an increase in the tax obligations of Rocket Internet SE and the companies in the Rocket Internet network and, additionally, could give rise to interest payable on the additional amount of taxes as well as late filing charges.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.3.2 If tax authorities deem Rocket Internet SE to fall within the scope of the short-term profit rule, dividend income and capital gains received or realized since Rocket Internet SE's most recently tax audited fiscal year could become fully taxable.

Rocket Internet SE is operating in the fast-changing and rapidly transforming Internet industry, which requires us to constantly adapt our long-term strategy with regard to certain companies to new market trends and business innovations. From time to time, this business environment has forced us to review our strategy regarding certain companies, and to divest of or merge significant holdings after a short holding period. In other cases, new ventures have proven to be instant successes and outgrew our platform within months after their formation, thus requiring us to sell these participations far earlier than anticipated. We may be scrutinized by the competent tax authorities with a view to assess whether our exits, mergers, reorganizations or other transactions fall within the scope of the short-term profit rule under German tax law.

Subject to certain exceptions, *inter alia* for portfolio dividends, dividend income and capital gains from the sale of shares in incorporated companies are effectively 95% exempt from German corporate income tax, trade tax and solidarity surcharge. If, however, the tax authorities deem Rocket Internet SE to be a financial enterprise within the meaning of the German Banking Act (*Gesetz über das Kreditwesen*), which according to the German Federal Fiscal Court (*Bundesfinanzhof*) includes industrial holding companies that follow a strategy of holding and developing subsidiaries, Rocket Internet SE may lose its tax exemption for dividend income and capital gains from each of its shareholdings if the tax authorities determine that Rocket Internet SE acquired the respective shareholding with the intent to make a short-term profit for its own account. To this end, tax authorities may claim that it may be inferred from the factual circumstances of certain transactions in which newly-founded or acquired participations have been divested within a short period of time, that these shareholdings were acquired with the intent to make a short-term profit or that the overall business strategy of Rocket Internet SE is to make such short-term profits. Similar considerations may arise with regard to mergers and other share-for-share transactions in which we have contributed shares at book value (*i.e.*, in a tax-neutral way) into Group entities. In this case, taxes on capital gains arising out of such transaction on the side of the contributing party may be triggered with retroactive effect if the contributed participation is resold within a claw-back period of seven years.

While we believe that despite our constant transformation and certain instantaneous business successes there is ample evidence that our business model of being an operative internet company has nothing in common with those businesses originally targeted by the short-term profit rule, we cannot rule out that Rocket Internet SE will be deemed to be a financial enterprise subject to this rule. In this event, all or parts of Rocket Internet SE's dividend income and capital gains received or realized since Rocket Internet SE's most recent tax audit in 2009, which we consider to be effectively 95% tax exempt, would become fully taxable and would give rise to interest payable on the additional amount of taxes. If the German tax authorities were to deem the capital gains on the sale of shares and the dividend income received as short-term profits, Rocket Internet SE could be required to pay additional taxes for the fiscal years 2010 through 2015. A similar risk could arise if tax authorities were to re-characterize income that we treated as dividend income or capital gains into another category of income (*e.g.,* service income) triggering a higher tax rate.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.3.3 Certain of our cross-border business dealings may trigger unforeseen adverse tax consequences.

We are an internationally operating enterprise continuously engaged in cross-border business dealings which may trigger unforeseen adverse tax consequences in Germany and abroad.

For instance, in 2013, we changed the legal form from one of our German limited partnerships (*GmbH & Co. KG*) which holds shares in an Indian company into a German company with limited liability (*Gesellschaft mit beschränkter Haftung*). While such change of legal form at book-value is considered to be tax neutral in most jurisdictions, such transaction may have triggered adverse tax effects in India.

Furthermore, we may be unaware of or infringe tariffs, quotas, customs and export control regulations, trading bans or similar restrictions, and thereby be exposed to the risk of fines and sanctions.

In addition, a number of holding companies in the Rocket Internet network are incorporated in foreign jurisdictions. In order to establish or maintain a tax domicile in these jurisdictions, certain substance requirements, such as maintaining the principal place of management in the respective jurisdiction, must be satisfied. However, given the mobility of our management teams, the fact that many of the management decisions within the Group are taken by electronic means rather than in physical meetings and the presence of Rocket Internet SE's Berlin headquartered staff in the day-to-day business of the companies in the Rocket Internet network, we cannot rule out that foreign or German tax authorities could deem the factual nexus of these holding companies to the respective jurisdiction insufficient to establish or maintain a tax domicile in the relevant jurisdiction or could deem these holding companies to have switched their tax domiciles back and forth between jurisdictions. Such assessment could result in exit taxation, double taxation, additional tax payments and other adverse tax consequences. Further, the failure to comply with substance requirements stipulated by the relevant tax laws could give rise to contractual claims from commercial investors who invested in the respective holding companies based on the understanding of a certain pre-defined tax domicile thereof.

In connection with the implementation of employee participation schemes, particularly at the level of the companies in the Rocket Internet network, additional tax obligations may arise for us. This may particularly be the case if the relevant tax authorities consider the employee participations as taxable benefits. Since these employee participation programs have been set up, in many cases without the assistance of local tax counsel, no assurance can be given that these programs will be treated as income-tax-neutral incentive schemes under the relevant local law. Even in jurisdictions where we treat employee participations as taxable benefits, the determination of the value of the taxable benefit in the form of shares in the newly established company may be uncertain. Therefore, we cannot rule out that we may be faced with potential additional tax liabilities.

When implementing new business ideas, certain intellectual property rights (*e.g.*, trademarks and logos) have been registered for the account of certain regional holding companies (*i.e.*, Bigfoot GmbH, BGN Brillant Services GmbH and TIN Brillant Services GmbH), while our subsequently formed local entities have invested in the brands and used these intellectual property rights free of charge. No final determination on the tax treatment of intellectual property has been made so far and we are therefore faced with legal uncertainty regarding, among other things, the tax domiciliation (*steuerliche Belegenheit*) of these rights.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.3.4 The spin-off of Zalando and the subsequent redemption of shares in Rocket Internet SE held by Rocket Beteiligungs GmbH may result in a significant additional tax burden.

On July 8, 2013, Rocket Internet SE made a constructive contribution (*verdeckte Einlage*) of its 34,440 shares in Zalando to a wholly-owned subsidiary of Rocket Internet SE, which was later renamed Rocket Beteiligungs GmbH ("**Rocket Beteiligung**"). Immediately upon receipt of the shares in Zalando on July 8, 2013, Rocket Beteiligung sold and transferred these shares in Zalando to Global Founders and Kinnevik Internet Lux S.à r.l. ("**Kinnevik Lux**") in accordance with their proportional shareholdings in Rocket Internet SE. Simultaneously, Global Founders and Kinnevik Lux sold and transferred initially 43,050 shares in Rocket Internet SE to Rocket Beteiligung. This consideration was subsequently reduced to 38,597 shares in Rocket Internet SE due to a purchase price adjustment mechanism. The mutual purchase price claims arising out of both transactions were set off against each other (the entire foregoing transaction is hereinafter referred to as the "**Zalando Spin-Off**"). On August 19, 2014, Rocket Beteiligung was merged into Rocket Internet SE, which thereby acquired 38,597 treasury shares that were subsequently cancelled (the "**Share Redemption**").

Both, the Zalando Spin-Off and the Share Redemption touch on many unresolved tax issues on which guidance on point by the tax courts and tax authorities is missing and in some instances there is even case law of the German Federal Fiscal Court (*Bundesfinanzhof*) that may be interpreted as contrary to some of our positions. Furthermore, the validity of the transaction structure hinges among other things on the accurate assessment of the fair market value of Rocket Internet SE and of Zalando at the time of the transaction. No assurance can be given as to whether the tax authorities will follow our interpretation of the relevant tax laws and our assessment of the respective company values of the entities involved or whether they may seek to re-characterize these transactions as, *e.g.*, a tax avoidance scheme or a so-called "constructive dividend" (*verdeckte Gewinnausschüttung*).

If the relevant tax authorities deny the tax-neutrality of the Zalando Spin-Off and the Share Redemption, the former could trigger significant taxes (see also "*1.3.2 If tax authorities deem Rocket Internet SE to fall within the scope of the short-term profit rule, dividend income and capital gains received or realized since Rocket Internet SE's most recently tax audited fiscal year could become fully taxable.*"). Given the complexity and the scope of this transaction, it may entail further unforeseen adverse tax consequences.

The materialization of any of the risks described above could have a material adverse effect on our financial condition, cash flows and results of operations.

1.3.5 The organizational setup of our tax compliance may not have been sufficient at all stages of our development to meet the growing demands of a globally expanding organization.

Our success hinges on, among other things, our ability to rapidly transform ideas into business models and to rollout newly formed businesses across numerous jurisdictions around the world at a faster pace than our competitors. We have focused on the accelerated development of our business activities rather than on optimizing the tax structure of the companies in the Rocket Internet network. It is therefore conceivable that as a consequence of our fast and entrepreneurial culture, actions were taken that could trigger adverse tax consequences for us.

The size, the scope and the focus of our tax compliance efforts may not have been sufficient at all stages of our development to meet the growing demands of a globally expanding organization. Given our Group's structure, our tax department has to regularly deal with tax issues that go beyond the day-to-day management of our domestic tax compliance, primarily on an ad-hoc basis, which may have led to decisions that could have adverse tax consequences for us. When using external tax advisors, there is no guarantee that these external tax advisors had all information and documentation necessary to provide their advice based on a reliable and comprehensive set of facts.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.3.6 We may be required to pay additional taxes if our intra-group transfer prices do not meet prevailing market rates. Failure of the companies in the Rocket Internet network to fully comply with value-added tax requirements could trigger adverse tax consequences, including an obligation to refund input value-added tax.

Our business model depends on the interplay between Rocket Internet SE and the companies in the Rocket Internet network, particularly the flow of ideas, know-how, intellectual property and financing experience within the Rocket Internet network. This high degree of interconnectivity results in transfers of services, shares, intellectual property, products and other goods from and between Rocket Internet SE, its subsidiaries and affiliates within the meaning of Sections 15 *et seq.* of the German Stock Corporation Act ("**AktG**") and other entities Rocket Internet SE holds a stake in (hereinafter referred to as "**Intra-Group Transfer**").

Past and current Intra-Group Transfer prices, particularly those for services rendered by Rocket Internet SE, including the provision of personnel, financing costs charged to affiliates and the rendering of advisory and other services as well as the licensing of technology platforms to the Group entities could be deemed to not be at arm's length. Similar risks exist with regard to the transfer of internet domains and intellectual property at book value by Rocket Internet SE or regional groups to the local entities in the early stage of the start-up phase.

Additionally, in light of the fact that these intra-Group services are usually not offered to third parties and the uncertainties surrounding the valuation of internet domains and intellectual property, it may become difficult for us to mitigate Intra-Group Transfer price risks by documenting the prices, particularly paid in comparable transactions by or with independent third parties. In addition, the preparation of a customary transfer price documentation may be delayed due to the need to hire an external auditor team which has the resources to prepare such transfer price documentation for us.

Further, given the unique and highly specialized nature of the services Rocket Internet SE renders to the companies in the Rocket Internet network, many of our service level agreements underlying Intra-Group Transfers and other transactions were drafted in a general, sometimes imprecise manner and may therefore be deemed not to cover the services actually rendered. In addition, the statutory purpose as well as the actual business activities of certain Group entities do not go beyond the holding and administration of participations. Such business focus may not qualify as an entrepreneurial activity and could therefore trigger input value-added tax ("**VAT**") adjustments (*Vorsteuerkorrektur*).

In addition, the business models of many of the companies in the Rocket Internet network are complex and the documentation obligations under applicable VAT and VAT-related laws in Germany and other jurisdictions are considerable. Therefore, it cannot be ruled out that certain of the companies in the Rocket Internet network may not fully comply, or, as the case may be, may have not fully complied with applicable VAT regulations throughout all phases of their development.

If Intra-Group Transfer prices do not meet the arm's length test or if tax authorities treat certain transactions with regard to VAT aspects differently to how we would expect they will be treated and differently from what Rocket Internet SE and its subsidiaries applied for in their respective VAT returns, additional tax payments including gift taxes, could be assessed, input VAT adjustments (*Vorsteuerkorrektur*) could be required, double taxation could become due and penalties as well as a reduction of current tax losses or tax loss carry-forwards, among others, could arise and increase our tax burden.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.3.7 We are subject to tax laws and regulations in Germany and numerous other countries. Our tax burden may increase as a consequence of future tax treatment of dividend payments, non-deductibility of interest payments, current or future tax assessments or court proceedings based on changes in domestic or foreign tax laws and double taxation treaties or changes in the application or interpretation thereof.

We are subject to the tax laws and regulations of Germany and numerous other countries. Our tax burden depends on various aspects of tax laws and regulations including double taxation treaties concluded, in particular, between Germany and the countries in which we operate, as well as their respective application and interpretation. Amendments to tax laws and double taxation treaties, for example, an increase of statutory tax rates or the limitation of double tax relief may have a retroactive effect, and their application or interpretation by tax authorities or courts is subject to change. Furthermore, tax authorities occasionally limit court decisions to their specific facts by way of non-application decrees. This may also increase our tax burden.

As a holding company, Rocket Internet SE's ability to distribute dividends depends largely on dividend payments made by its subsidiaries. Among other things, these intra-group distributions are subject to withholding tax (*Kapitalertragsteuer*) on multiple intra-group levels. No assurance can be given that the taxation of intra-group distributions may not negatively affect Rocket Internet SE's ability to pay dividends in the future.

Thin-capitalization rules in various jurisdictions restrict the tax deductibility of interest expenses and the possibility of companies to carry forward non-deducted interest expenses to future assessment periods. As the interpretation of these rules is not entirely clear in many jurisdictions, it cannot be ruled out that the competent tax authorities will take a different view regarding the tax deductibility of interest expenses than our Group entities.

Group entities are or may become party to tax proceedings. The outcome of such tax proceedings may not be predictable and may be detrimental to the Group.

The materialization of any of the risks described above could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.3.8 Due to changes in the ownership structure of Rocket Internet SE and the companies in the Rocket Internet network, we may not be able to make use of current tax losses and tax loss carry-forwards.

Rocket Internet SE has accrued substantial tax losses and tax loss carry-forwards as of December 31, 2015. The companies in the Rocket Internet network have also accrued significant tax losses and tax loss carry-forwards in various jurisdictions. As of December 31, 2015 as shown in the notes of Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015, Rocket Internet SE has corporate income tax loss carry-forwards originated and generally usable in Germany in the amount of approximately €86 million and current accumulated trade tax losses in the amount of approximately €89 million. With regard only to Germany, as of December 31, 2015, the fully consolidated companies in the Rocket Internet network have current accumulated corporate income tax loss carry-forwards originated and generally usable in Germany in the amount of approximately €24 million, as well as current accumulated trade tax losses amounting to approximately €25 million.

Given the number of significant mergers, exits, spin-offs and other reorganizational measures, particularly at the level of the companies, regional groups and local entities in the Rocket Internet network, there can be no assurance that current tax losses, tax loss carry-forwards or interest carry-forwards originated and generally usable in Germany or in foreign jurisdictions may not have been partially or completely lost. When implementing reorganizational measures, our main objective is the swift execution of our business strategy including the procurement of sufficient funding for the companies in the Rocket Internet network rather than the preservation of tax assets.

If all or a portion of these current tax losses, tax loss carry-forwards and interest carry-forwards of Rocket Internet SE, its subsidiaries and affiliates within the meaning of Sections 15 *et seq.* of the German Stock Corporation Act (*Aktiengesetz*) and other entities Rocket Internet SE holds a stake in are lost, they could not be used to reduce our tax liabilities in any period in which a taxable profit is generated. This might result in a higher future tax burden. In addition, tax loss carry-forwards may have a significant impact on the value attributed by an investor to a company, a regional group or a local entity in the Rocket Internet network in connection with a financing round. If the relevant entity were no longer able to use its tax loss carry-forwards, this could have a material negative impact on the valuation of this entity.

The materialization of any of the risks described above could have a material adverse effect on our financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's financial condition, cash flows and results of operations.

1.4 Risks Related to Rocket Internet SE's Shares and the Uplisting

1.4.1 Active trading in Rocket Internet SE's shares may not develop and the price of Rocket Internet SE's shares could fluctuate significantly.

Since October 2, 2014, the shares in Rocket Internet SE have traded on the Open Market (*Freiverkehr*) (Entry Standard) of the Frankfurt Stock Exchange. The market in Rocket Internet SE's shares has been relatively illiquid. Rocket Internet SE cannot predict whether the uplisting of its shares to the regulated market (Prime Standard) will lead to a change in the trading volumes or volatility. The price of Rocket Internet SE's shares has been very volatile. Some of the factors that could negatively affect Rocket Internet SE's share price or result in fluctuations in the price or trading volume of the shares include, for example, changes in our actual or projected results of operations or those of our competitors, changes in earnings projections or the failure to meet investors' and analysts' earnings expectations, investors' evaluations of the success and effects of the strategies described in this prospectus, as well as the evaluation of the related risks, changes in general economic conditions, changes in shareholders and other factors. Additionally, general fluctuations in share prices, particularly of shares of related companies or of companies in the same sector, could lead to pricing pressures on Rocket Internet SE's shares, even where there may not necessarily be a direct reason for this in our business or earnings outlook. For instance, Kinnevik is a public company whose shares are listed on the Stockholm Stock Exchange, and any fluctuation in Kinnevik's share price could be attributed to reasons related to us and have an impact on Rocket Internet SE's share price.

1.4.2 Rocket Internet SE currently does not intend, and may not be able to, pay dividends in the foreseeable future.

Under German corporate law, a company may only pay dividends if it shows unappropriated retained earnings in its unconsolidated German Commercial Code (*Handelsgesetzbuch* ("**HGB**")) financial statements. Rocket Internet SE currently intends to retain all available funds and future earnings, if any, to provide more equity capital to the current and potential additional companies in the Rocket Internet network to support their operations and to position them to grow. Rocket Internet SE currently does not intend to pay cash dividends in the foreseeable future. Even if Rocket Internet SE changed its policy and wanted to distribute dividends, it may not be able to generate such unappropriated retained earnings and, accordingly, may not be able to pay out dividends. In particular, as Rocket Internet SE is an operating holding company, Rocket Internet SE's results will largely depend upon liquidity events, such as dividend distributions from or an initial public offering of, or sale of its interests in, the companies in the Rocket Internet network. The extent of any such cash flows to Rocket Internet SE in turn depends on the business, financial condition, results of operation and cash flows of the companies in the Rocket Internet network. Absent a liquidity event, Rocket Internet SE may not report unappropriated retained earnings in its unconsolidated HGB financial statements and/or may not have sufficient liquidity in order to pay dividends to its shareholders. Even if a liquidity event should occur, Rocket Internet SE currently intends to reinvest any proceeds in order to exploit our market opportunity. In line with its communicated policy, Rocket Internet SE does not expect to pay dividends in the near to medium term.

1.4.3 As a result of the uplisting, Rocket Internet SE will face additional regulatory and administrative requirements, including the obligation to issue quarterly group statements and other disclosure obligations.

Following the uplisting to the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange, Rocket Internet SE will be subject to additional and more stringent legal and regulatory requirements. These requirements include in addition to the half-yearly financial report, quarterly financial reporting in the form of quarterly group statements of the first and third quarter of each financial year and other public disclosures of information. In addition, Rocket Internet SE will be subject to the German Securities Trading Act (*Wertpapierhandelsgesetz*) and the German Corporate Governance Code. Rocket Internet SE's accounting, controlling, legal or other corporate administrative functions may not be capable of responding to these additional requirements without difficulties and inefficiencies that may cause Rocket Internet SE to incur significant additional expenditures and/or expose it to legal, regulatory or civil costs or penalties. In addition, nearly all of the companies in the Rocket Internet network that are fully consolidated or accounted for at equity have a limited history. This means that they are currently in the process of upgrading their internal accounting and reporting functions. The establishment of these functions is complicated by the fact that nearly all of the companies in the Rocket Internet network that are fully consolidated or accounted for at equity operate in foreign countries. If they are not in a position to deliver financial information in the format that Rocket Internet SE requires, Rocket Internet SE may not be able to draw up its own financial statements in time or to have any required audit completed in time.

Any inability to manage the additional demands placed on Rocket Internet SE as a result of the uplisting, as well as any costs resulting therefrom, could have a material adverse effect on our business, financial condition, cash flows, results of operations and the value of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network, and directly or indirectly on Rocket Internet SE's business, financial condition, cash flows and results of operations.

1.4.4 Any future sales of Rocket Internet SE's shares by its major shareholders could depress the market price of Rocket Internet SE's shares, and our shareholders' interests may deviate from, or conflict with, Rocket Internet SE's interests.

Rocket Internet SE's six largest shareholders hold 77.5% of Rocket Internet SE's shares (based on the shareholdings as last notified to Rocket Internet SE pursuant to the German Stock Corporation Act (*Aktiengesetz*) or the shareholdings as of the time of the initial public offering). These six shareholders are Global Founders, Kinnevik Lux (an affiliate of Kinnevik), United Internet Ventures AG, Scottish Mortgage Investment Trust Plc, PLDT Online Investments PTE. LTD. and AI European Holdings S.à r.l. The single largest shareholder in Rocket Internet SE is Global Founders, which holds 37.1% of Rocket Internet SE's shares (including shares held by affiliates of Global

Founders). Global Founders is indirectly controlled by Zerena GmbH. As a shareholder of Zerena GmbH, Oliver Samwer Familienstiftung indirectly holds the Rocket Internet SE shares previously held by Oliver Samwer through Global Founders. Due to its relatively large shareholding, Global Founders is in a position to exert substantial influence at Rocket Internet SE's general shareholders' meeting and, consequently, on matters decided by Rocket Internet SE's general shareholders' meeting, including the appointment of supervisory board members, the distribution of any dividends, and any proposed capital increases. Global Founders' stake in Rocket Internet SE endows it with the ability to block certain corporate measures that require the approval of Rocket Internet SE's general shareholders' meeting. In addition, the interests of Global Founders may substantially deviate from, or conflict with, Rocket Internet SE's interests or the interests of Rocket Internet SE's other shareholders. There is no assurance that Global Founders will exercise its influence over Rocket Internet SE in a way that serves the interests of Rocket Internet SE's other shareholders.

Moreover, there may be a significant adverse effect on the market price of Rocket Internet SE's shares if any of Rocket Internet SE's large shareholders, in particular, Global Founders and Kinnevik, were to sell substantial amounts of Rocket Internet SE's shares on the public exchange or if market participants were to become convinced that such sales might occur. In addition, the value of Rocket Internet SE's shares may fluctuate, and could significantly decline, based on the valuations achieved in initial public offerings or other sales of interests in companies in which Rocket Internet SE holds an interest. In the case of a change of control of Global Founders, certain investors would have the right under our current shareholders' agreements to require us to purchase their interests in the relevant company.

1.4.5 Future capitalization measures may lead to substantial dilution, i.e., a reduction in the value of the shares and the control rights of existing shareholders' interests in Rocket Internet SE. Future offerings of debt or equity securities may adversely affect the market price of Rocket Internet SE's shares.

We may require additional capital in the future to finance our business operations and growth. The raising of additional equity through the issuance of new shares, the potential exercise of conversion or option rights by holders of convertible bonds or bonds with warrants or the fulfillment of conversion obligations relating to such bonds, which may be issued in the future, and the exercise of stock option rights which have been and may be granted to Management Board members and certain other employees, may dilute shareholder interests. Rocket Internet SE's articles of association currently provide for the issuance of up to 82,570,395 additional shares as authorized capital and up to 82,546,825 additional shares as conditional capital. We may issue all of these shares without any action or approval by the shareholders, and under certain limited conditions, for example in the event of a capital increase against contributions in kind, without reserving any pre-emptive subscription rights for the shareholders. Because Rocket Internet SE's decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of future offerings. Thus, holders of shares bear the risk that future offerings might reduce the market price of the shares and dilute their shareholdings in Rocket Internet SE.

2. GENERAL INFORMATION

2.1 Certain Defined Terms

In this prospectus, unless the context otherwise requires,

- "**we**", "**us**", "**our**", the "**Group**" or "**Rocket Internet**" refers to Rocket Internet SE (including previously named: Rocket Internet GmbH and Rocket Internet AG), together with the legal entities that are fully consolidated in Rocket Internet SE's consolidated financial statements.

- "**Access Industries**" refers to the Access Industries group of companies, which includes AI European Holdings S.à r.l., AI Linio Holdings LLC, AI Zencap Holdings LLC and AI Lendico Holdings LLC.

- "**Africa Internet Group**" refers to Africa Internet Holding GmbH and the legal entities in which it holds a direct or indirect stake.

- "**AktG**" refers to the German Stock Corporation Act (*Aktiengesetz*).

- "**Alibaba**" refers to Alibaba Group Holding Limited.

- "**Asia Pacific Internet Group**" refers to Asia Internet Holding S.à r.l. and the legal entities in which it holds a direct or indirect stake.

- "**AXA**" refers to AXA Africa Holding S.A.S.

- "**BaFin**" refers to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).

- "**CIS**" refers to The Commonwealth of Independent States.

- "**Craftsvilla**" refers to Supera Investment Pte. Ltd. together with the legal entities in which it holds a direct or indirect stake and that operate under the Craftsvilla brand.

- "**CRM**" refers to customer relationship management.

- "**CupoNation**" refers to CupoNation Group GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the CupoNation brand.

- "**Dafiti**" refers to Dafiti Latam GmbH & Co. Beteiligungs KG together with the legal entities in which it holds a direct or indirect stake and that operate under the Dafiti brand.

- "**Delivery Hero**" refers to Delivery Hero Holding GmbH ("**DHH**") together with the legal entities in which it holds a direct or indirect stake.

- "**D&O**" refers to directors and officers.

- "**E&Y**" refers to Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin office, Germany.

- "**EBIT**" refers to earnings before interest and taxes.

- "**EBITDA**" refers to earnings before interest, taxes, impairment, depreciation and amortization.

- “**EU**” refers to European Union.

- “**Facebook**” refers to Facebook, Inc., Facebook Ireland Limited, and Facebook Brazil collectively.

- “**Fashion**” refers to one of our five focus industry sectors; our Fashion segment operates in the Fashion sector.

- “**Food & Groceries**” refers to one our five focus industry sectors; our segments Food 1 and Food 2 operate in the Food & Groceries sector.

- “**foodpanda**” refers to Emerging Markets Online Food Delivery Holding S.à r.l. together with the legal entities in which it holds a direct or indirect stake and that operate under the foodpanda, hellofood and Delivery Club brands.

- “**Funding Circle**” refers to Funding Circle Holdings Limited together with the legal entities in which it holds a direct or indirect stake and that operate under the Funding Circle brand.

- “**FVTOCI**” is the abbreviation for fair value through other comprehensive income.

- “**FVTPL**” is the abbreviation for fair value through profit or loss.

- “**GDP**” refers to gross domestic product.

- “**General Merchandise**” refers to one of our five focus industry sectors; our General Merchandise segment operates in the General Merchandise sector.

- “**German GAAP**” refers to the German Generally Accepted Accounting Principles; *i.e.*, the applicable provisions of German commercial law.

- “**Germany**” refers to the Federal Republic of Germany.

- “**Global Fashion Group**” refers to Global Fashion Group S.A. together with its subsidiaries.

- “**Global Founders**” refers to the Global Founders GmbH (formerly: European Founders Fund GmbH).

- “**Global Founders Capital Fund**” refers to Global Founders Capital Fund GmbH & Co. Beteiligungs KG Nr. 1.

- “**Goodgame Studios**” refers to Altigi GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Goodgame brand.

- “**Google**” refers to Alphabet Inc. together with its direct or indirect subsidiaries.

- “**Group**” refers to Rocket Internet SE and the legal entities that are fully consolidated in Rocket Internet SE’s consolidated financial statements.

- “**HelloFresh**” refers to HelloFresh AG (formerly HelloFresh GmbH) together with the legal entities in which it holds a direct or indirect stake and that operate under the HelloFresh brand.

- “**Helpling**” refers to Helpling Group Holding S.à r.l. together with the legal entities in which it holds a direct or indirect stake and that operate under the Helpling brand.

- “**Holtzbrinck**” refers to Holtzbrinck Ventures and their affiliates.

- “**Holtzbrinck Ventures**” refers to the following companies: HV Holtzbrinck Ventures Fund IV LP, Holtzbrinck Ventures NM GmbH & Co. KG and HV Holtzbrinck Ventures Fund V GmbH & Co. KG.

- “**Home24**” refers to Home24 AG (formerly Home24 GmbH) together with the legal entities in which it holds a direct or indirect stake and that operate under the Home24 and Mobly brands.

- “**Home & Living**” refers to one of our five focus industry sectors; our Home & Living segment operates in the Home & Living sector.

- “**IFRS**” refers to the International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union.

- “**IT**” refers to information technology.

- “**Jabong**” refers to Global Fashion Group’s former Indian operations, which were carried out by Jabong GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Jabong brand.

- “**J.P. Morgan**” refers to J.P. Morgan Securities plc, London, United Kingdom.

- “**Jumia**” is one of the brands held by Africa Internet Holding GmbH.

- “**Kinnevik**” refers to Investment AB Kinnevik and its affiliates.

- “**Kinnevik Lux**” refers to Kinnevik Internet Lux S.à r.l., a subsidiary of Investment AB Kinnevik.

- “**Lamoda**” refers to Lamoda GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Lamoda brand.

- “**Lazada**” refers to Lazada Group S.A. together with the legal entities in which it holds a direct or indirect stake and that operate under the Lazada brand.

- “**Lendico**” refers to ECommerce Holding II S.à r.l. together with the legal entities in which it holds a direct or indirect stake and that operate under the Lendico brand.

- “**Linio**” refers to New Tin Linio II GmbH (predecessor: TIN Jade GmbH) together with the legal entities in which it holds a direct or indirect stake and that operate under the Linio brand.

- “**Middle East Internet Group**” refers to Middle East Internet Holding S.à r.l. and the legal entities in which it holds a direct or indirect stake.

- “**Millicom**” refers to Millicom International Cellular S.A. and its affiliates.

- “**Movinga**” refers to Movinga GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Movinga brand.

- “**MTN**” refers to Mobile Telephone Networks Holdings (Pty) Limited and its affiliates.

- “**Namshi**” refers to Middle East eCommerce Holding GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Namshi brand.

- “**Nestpick**” refers to Digital Services XXVIII S.à r.l. together with the legal entities in which it holds a direct or indirect stake and that operate under the Nestpick brand.

- “**New Businesses & Investments**” refers to companies in which the Group holds a stake and that are at various maturity stages, ranging from new business models to companies that have already taken steps to develop their business. This category includes companies that were incubated by the Group and companies that were launched by third parties and in which the Group invested after their launch.

- “**Ooredoo**” refers to Ooredoo Q.S.C.

- “**Orange**” refers to Orange S.A. and its affiliates.

- “**PAYMILL**” refers to Paymill Holding GmbH (formerly Brillant 1470. GmbH) together with the legal entities in which it holds a direct or indirect stake and that operate under the PAYMILL brand.

- “**PLDT**” refers to Philippine Long Distance Telephone Company.

- “**Regional Internet Groups**” refers to the following groups: Africa Internet Group, Asia Pacific Internet Group and Middle East Internet Group.

- “**RICP**” refers to RICP Euro together with RICP USD.

- “**RICP Euro**” refers to Rocket Internet Capital Partners (Euro) SCS.

- “**RICP USD**” refers to Rocket Internet Capital Partners SCS.

- “**Rocket Beteiligung**” refers to Rocket Beteiligungs GmbH.

- “**Rocket Internet network**” refers to Rocket Internet SE together with the Selected Portfolio Companies, Regional Internet Groups, New Businesses & Investments and the other companies in which the Group holds equity interests. We also refer to the Selected Portfolio Companies, Regional Internet Groups, New Businesses & Investments and the other companies in which the Group holds equity interests as “**network companies**”.

- “**Selected Portfolio Companies**” refers to HelloFresh, Delivery Hero, foodpanda, Global Fashion Group, Jumia, Westwing and Home24.

- “**Spotcap**” refers to Spotcap Global S.à r.l. (formerly Argentum Global S.à r.l.) together with the legal entities in which it holds a direct or indirect stake and that operate under the Spotcap brand.

- “**The Iconic**” refers to the operations of Zalora in Australia and New Zealand under the brand The Iconic.

- “**Travel**” refers to one of our five focus industry sectors.

- "**TravelBird**" refers to Travel Bird Nederland B.V.

- "**Traveloka**" refers to Traveloka Holding Limited (prior to restructuring PT Traveloka Indonesia) together with the legal entities in which it holds a direct or indirect stake and that operate under the Traveloka brand.

- "**United Internet**" refers to United Internet Ventures AG.

- "**United States**" refers to the United States of America.

- "**Westwing**" refers to Westwing Group GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Westwing and Dalani brands.

- "**Zalando**" refers to Zalando SE (formerly Zalando GmbH and Zalando AG).

- "**Zalora**" refers to Zalora Group GmbH together with the legal entities in which it holds a direct or indirect stake and that operate under the Zalora and The Iconic brands.

- "**Zanui**" refers to Zanui UG (haftungsbeschränkt) & Co. KG together with the legal entities in which it holds a direct or indirect stake and that operate under the Zanui brand.

Other defined terms used throughout the prospectus are indicated in the text.

2.2 Responsibility Statement

Rocket Internet SE, with its registered office at Charlottenstraße 4, 10969 Berlin, Germany, and registered with the commercial register of the local court (*Amtsgericht*) of Charlottenburg, Berlin, Germany (the "**Commercial Register**"), and docket number HRB 165662 B, together with Joh. Berenberg, Gossler & Co. KG, Neuer Jungfernstieg 20, 20354 Hamburg, Germany ("**Berenberg**" or the "**Listing Agent**"), have assumed responsibility for this prospectus pursuant to Section 5 para. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*), and declare that the information contained in this prospectus is, to the best of their knowledge, correct and contains no material omissions.

If any claims are asserted before a court of law based on the information contained in this prospectus, the investor appearing as plaintiff may have to bear the costs of translating the prospectus prior to the commencement of the court proceedings pursuant to the national legislation of the member states of the European Economic Area.

The information in this prospectus will not be updated subsequent to the date hereof except for any significant new event or significant error or inaccuracy relating to the information contained in this prospectus that may affect an assessment of the securities and occurs or comes to light following the approval of the prospectus, but before admission of the securities for trading. These updates must be disclosed in a prospectus supplement in accordance with Section 16 para. 1 sentence 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

2.3 Subject Matter of this Prospectus

The subject matter of this prospectus is the admission of 165,140,790 bearer shares with no par value (*Stückaktien*) and full dividend rights from January 1, 2016 to trading on (i) the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and (ii) the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*).

2.4 Admission to the Frankfurt and Luxembourg Stock Exchange and Commencement of Trading

The shares in Rocket Internet SE are currently traded on the Entry Standard (open market) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Rocket Internet SE will apply for the admission of its shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), and, simultaneously, to the sub-segment thereof with additional post-admission obligations (Prime Standard) and the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) on or about September 23, 2016. The listing approval for inclusion to trading for each stock exchange is expected to be announced on or about September 26, 2016. Commencement of trading (*Notierungsaufnahme*) of Rocket Internet SE's shares on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurt Wertpapierbörse*) and the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*) is expected to take place on or about September 27, 2016.

2.5 Information on the Shares

2.5.1 Voting Rights

Each share in Rocket Internet SE carries one vote at Rocket Internet SE's shareholders' meeting. Rocket Internet SE's shareholders do not have different voting rights.

2.5.2 Dividend and Liquidation Rights

The shares carry full dividend rights from January 1, 2016. In the event of Rocket Internet SE's liquidation, any proceeds will be distributed to the holders of Rocket Internet SE's shares in proportion to their interest in Rocket Internet SE's share capital. There will be no preferential rights upon liquidation.

2.5.3 Form and Certification of the Shares

All of Rocket Internet SE's shares are bearer shares with no par value. Rocket Internet SE's current share capital in the amount of €165,140,790.00 is represented by global share certificates with global dividend coupons, which are deposited with Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.

Section 5 para. 2 of the Articles of Association excludes the shareholders' right to receive individual share certificates to the extent permitted by law and unless mandated by the rules of a stock exchange to which the shares are admitted. Pursuant to Section 5 para. 3 of the Articles of Association, the Management Board, in consultation with the Supervisory Board, determines the form of the share certificates.

2.5.4 Currency of the Securities Issue

Rocket Internet SE's shares are denominated in Euro.

2.5.5 ISIN/WKN/Common Code/Ticker Symbol

International Securities Identification Number (ISIN) DE000A12UKK6

German Securities Code (*Wertpapierkennnummer*, WKN)... A12UKK

Common Code 111314110

Trading Symbol .... RKET

2.5.6 Existing Quotation

As of the date of this prospectus, 165,140,790 bearer shares with no par value (*Stückaktien*), each with a notional value of €1.00 and with full dividend rights from January 1, 2016 are admitted to trading on the non-regulated market (Entry Standard) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

2.5.7 Transferability of the Shares

Rocket Internet SE's shares are freely transferable in accordance with the legal requirements for bearer shares. The trading of Rocket Internet SE's shares is not subject to any prohibitions on disposals or any restrictions with respect to the transferability of Rocket Internet SE's shares.

2.5.8 Designated Sponsors

Berenberg and J.P. Morgan will continue to assume the function as designated sponsors of Rocket Internet SE's shares traded on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). Pursuant to the designated sponsor agreement between the relevant designated sponsor and Rocket Internet SE, the designated sponsor will, *inter alia*, place limited buy and sell orders for Rocket Internet SE's shares in the electronic trading system of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during regular trading hours. This is intended to achieve greater liquidity in the market for the shares.

2.6 Total Cost of the Listing and Proceeds

The costs related to the listing of the shares are expected to total approximately €2 million. Investors will not be charged expenses by Rocket Internet SE or Berenberg.

This prospectus does not relate to an offering of shares. Accordingly, neither Rocket Internet SE nor any shareholder of Rocket Internet SE will receive any proceeds from the issuance of shares.

2.7 Forward-looking Statements

This prospectus contains forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or to facts or events as of the date of this prospectus. This applies, in particular, to statements in this prospectus containing information on our future earnings capacity, plans and expectations regarding our business growth and profitability, and the general economic conditions to which we are exposed. Statements made using words such as "predicts", "forecasts", "intends", "plans", or "expects" may be an indication of forward-looking statements.

The forward-looking statements in this prospectus are subject to risks and uncertainties, as they relate to future events, and are based on estimates and assessments made to the best of Rocket Internet SE's present knowledge. These forward-looking statements are based on assumptions, uncertainties and other factors, the occurrence or non-occurrence of which could cause Rocket Internet SE's actual results, including the financial condition and profitability of the Group, to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. These expressions can be found in several sections in this prospectus, particularly in the sections entitled "*1. Risk Factors*", "*6. Management's Discussion and Analysis of Financial Condition and Results of Operations*"; "*7. Business*" and "*19. Recent Developments and Outlook*"; and wherever information is contained in the prospectus regarding our intentions, beliefs, or current expectations relating to our future financial condition and results of operations, plans, liquidity, business outlook, growth, strategy and profitability, as well as the economic and regulatory environment to which we are subject.

In light of these uncertainties and assumptions, it is also possible that the future events mentioned in this prospectus might not occur. Actual results, performance or events may differ materially from those in such statements due to, among other reasons:

- Changes in general economic conditions in the markets in which we operate, including changes in the GDP, unemployment rate, the level of consumer prices, wage levels, etc.;
- Changes in the markets in which we operate, including changes in internet penetration rates and smartphone penetration rates;
- Changes in the competitive environment;
- Changes in the investment market;
- Changes affecting interest rate levels;
- Changes affecting currency exchange rates;
- Changes in laws and regulations; and
- Changes in taxes, including changes in tax rates.

Moreover, it should be noted that neither Rocket Internet SE nor Berenberg assume any obligation, except as required by law, to update any forward-looking statement or to conform any such statement to actual events or developments. Nevertheless, Rocket Internet SE has the obligation to disclose any significant new event or significant error or inaccuracy relating to the information contained in this prospectus that may affect an assessment of the securities and occurs or comes to light following the approval of the prospectus, but before the inclusion of the securities to trading. These updates must be disclosed in a prospectus supplement in accordance with Section 16 para. 1 sentence 1 of the German Securities Prospectus Act (*Wertpapierprospektgesetz*).

See "*1. Risk Factors* " for a further description of some of the factors that could influence the actual outcome of the matters described in Rocket Internet SE's forward-looking statements.

2.8 Sources of Market Data

To the extent not otherwise indicated, the information contained in this prospectus on Rocket Internet SE's competitive position, the market environment, market developments, growth rates, market trends and competition in the markets in which the Group operates are based on Rocket Internet SE's and Berenberg's assessments. These assessments, in turn, are based in part on internal observations of the market and on various market studies. Prospective investors should note that Rocket Internet SE's own assessments (including estimates and statements of opinion and belief) are not always based on studies of third parties.

The following sources were used in the preparation of this prospectus:

- Delivery Hero Holding GmbH, Delivery Hero Business Update for H1/2016, August 18, 2016;
- International Monetary Fund, World Economic Outlook Update, July 2016.

2.9 Documents Available for Inspection

For the period during which this prospectus is valid, the following documents will be available for inspection during regular business hours at Rocket Internet SE's offices at Charlottenstraße 4, 10969 Berlin, Germany (tel. +49 (0) 30 300 13 18-00):

- Rocket Internet SE's articles of association (the "**Articles of Association**");
- Rocket Internet SE's unaudited interim condensed consolidated financial statements prepared in accordance with IFRS for interim financial reporting (IAS 34) as of and for the six months ended June 30, 2016;
- Rocket Internet SE's audited consolidated financial statements prepared in accordance with IFRS and the additional requirements of German commercial law pursuant to Section 315a para. 1 of the German Commercial Code (*Handelsgesetzbuch*) as of and for the year ended December 31, 2015;
- Rocket Internet SE's audited consolidated financial statements prepared in accordance with IFRS as of and for the year ended December 31, 2014;
- Rocket Internet SE's audited consolidated financial statements prepared in accordance with German GAAP as of and for the year ended December 31, 2013; and
- Rocket Internet SE's audited unconsolidated annual financial statements prepared in accordance with German GAAP as of and for the year ended December 31, 2015.

The above documents are also available on Rocket Internet SE's website at www.rocket-internet.com under the Investor Relations section. The annual financial statements referred to above are also published in the German Federal Gazette (*Bundesanzeiger*).

Rocket Internet SE's future consolidated annual and interim financial statements will be available from Rocket Internet SE on its website and from the paying agent designated in this prospectus (see "*11.8 Notifications; Paying Agent*").

2.10 Available Information

At any time when our Group is not subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, it will furnish, upon request, to any holder or beneficial owner of Rocket Internet SE's shares, or any prospective investor designated by any such holder or beneficial owner, information satisfying the requirements of subsection (d)(4)(i) of Rule 144A under the Securities Act to permit compliance with Rule 144A in connection with resales of Rocket Internet SE's shares for so long as any of Rocket Internet SE's shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

2.11 Enforcement of Civil Liabilities

Rocket Internet SE is a European company (*Societas Europaea* (SE)) governed by European and German law and all or a substantial portion of its assets are located primarily outside the United States. In addition, the majority of the members of the management board (*Vorstand*) (the "**Management Board**") and the supervisory board (*Aufsichtsrat*) (the "**Supervisory Board**") are non-residents of the United States and most of their assets are located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon Rocket Internet SE or such persons or to enforce against them or Rocket Internet SE judgments of courts of the United States, whether or not predicated upon the civil liability provisions of the federal securities laws of the United States or other laws of the United States or any state thereof. The United States and Germany do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether or not predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Germany. However, if the party in whose favor such final judgment is rendered brings a new suit in a competent court in Germany, such party may submit to the German court the final judgment rendered in the United States. Under such circumstances, a judgment by a federal or state court of the United States against Rocket Internet SE or such persons will be regarded by a German court only as evidence of the outcome of the dispute to which such judgment relates, and a German court may choose to re-hear the dispute. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Germany.

2.12 Currency Presentation and Presentation of Figures

In this prospectus, "**euro**" and "**€**" refer to the single European currency adopted by certain participating member states of the EU, including Germany as of January 1, 1999; "**AED**" refers to the lawful currency of the United Arab Emirates, "**AUD**" refers to the lawful currency of the Commonwealth of Australia ("**Australia**"); "**BRL**" refers to the lawful currency of Brazil; "**INR**" refers to the legal currency of the Republic of India ("**India**"); "**RUB**" refer to the lawful currency of the Russian Federation ("**Russia**") and "**USD**" and "**U.S. dollar**" refer to the lawful currency of the United States.

Where financial information in the prospectus is labelled "audited", this means that it has been taken from the audited financial statements mentioned in "*2.9 Documents Available for Inspection*". The label "unaudited" is used in the prospectus to indicate financial information that has not been taken from the audited financial statements mentioned in "*2.9 Documents Available for Inspection*", but was taken either from Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 mentioned in "*2.9 Documents Available for Inspection*" or the Group's accounting or controlling records, or has been calculated on the bases of figures taken from the above-mentioned sources, unless otherwise indicated.

All of the financial information presented in the prospectus is shown in millions of euro (in € million), except as otherwise stated. Certain financial information in the text and in the tables (including percentages) in this prospectus has been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) may not correspond in all cases to the corresponding rounded amounts contained in the following text and tables. Furthermore, in the following tables, these rounded figures may not add up exactly to the totals contained in the respective tables and charts. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal place unless stated otherwise. Financial information presented in parentheses denotes the presented number is a negative number, unless stated otherwise. With respect to financial information set out in the main body of the prospectus (*i.e.*, other than in the section entitled "*17. Financial Information*"), a dash ("-") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but is or has been rounded to zero.

2.13 Exchange Rate Information

The functional currency of the majority of the Group's foreign operations is the Euro. Rocket Internet SE's functional currency and the Group's presentation currency is the Euro and Rocket Internet SE prepares its financial statements in Euro.

The table below shows the average Euro foreign exchange reference rates expressed in USD per Euro, as announced by the European Central Bank for the five years ended December 31, 2015.

The averages set forth in the table below have been computed using the Euro foreign exchange reference rate on the last business day of each month during the periods indicated.

Year ended December 31,	Period End	Average	High	Low
2011	1.2939	1.4000	1.4882	1.2889
2012	1.3194	1.2932	1.3454	1.2089
2013	1.3791	1.3308	1.3791	1.2805
2014	1.2141	1.3210	1.3953	1.2141
2015	1.0887	1.1045	1.2043	1.0552

The following table shows the Euro foreign exchange reference rates for USD per Euro for the previous six months:

Month	High	Low
March 2016	1.1385	1.0856
April 2016	1.1432	1.1252
May 2016	1.1569	1.1139
June 2016	1.1389	1.0998
July 2016	1.1168	1.0968
August 2016	1.1339	1.1078
September 2016 (through September 20, 2016)	1.1296	1.1146

2.14 Material Interests, including Conflicts of Interests

Berenberg has entered into a listing agreement with Rocket Internet SE in connection with the listing of Rocket Internet SE's shares on the regulated segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) and the regulated market of the Luxembourg Stock Exchange (*Bourse de Luxembourg*). Berenberg is advising Rocket Internet SE on the listing and is coordinating the listing process. Berenberg will receive a customary fixed commission for such services.

Furthermore, Berenberg or Berenberg's affiliates have, and may from time to time in the future continue to have, business relations with members of the Group or may perform services for members of the Group in the ordinary course of business.

Other than the interests described above, there are no conflicts of interest with respect to the listing.

3. DIVIDEND POLICY; RESULTS AND DIVIDENDS PER SHARE; USE OF PROFITS

3.1 General Provisions Relating to Profit Allocation and Dividend Payments

The shareholders' share of Rocket Internet SE's profits is determined based on their respective interests in Rocket Internet SE's share capital. In a European company (*Societas Europaea* (SE)) under German law, the distribution of dividends for a given fiscal year, and the amount and payment date thereof, are resolved by the general shareholders' meeting of the subsequent fiscal year either upon a joint proposal by the Management Board and the Supervisory Board or upon the Management Board's or the Supervisory Board's proposal. The general shareholders' meeting for a German stock corporation must be held within the first six months of each fiscal year.

Dividends may only be distributed from the distributable profit (*Bilanzgewinn*) of Rocket Internet SE. The distributable profit is calculated based on Rocket Internet SE's unconsolidated annual financial statements prepared in accordance with the accounting principles of German GAAP. Accounting principles set forth in German GAAP differ from International Financial Reporting Standards as adopted by the European Union in material respects.

When determining the distributable profit, net income or loss for the fiscal year (*Jahresüberschuss/-fehlbetrag*) must be adjusted for profit/loss carry-forwards (*Gewinn-/Verlustvorträge*) from the prior fiscal year and releases of or allocations to reserves. Certain reserves are required to be set up by law, and amounts mandatorily allocated to these reserves in the given fiscal year must be deducted when calculating the distributable profit. The Management Board must prepare financial statements (balance sheet, income statement and notes to the financial statements) and a management report for the previous fiscal year by the statutory deadline and present these to the Supervisory Board and the auditors immediately after preparation. At the same time, the Management Board must present to the Supervisory Board a proposal for the allocation of Rocket Internet SE's distributable profit pursuant Article 61 of the Council Regulation (EC) 2157/2001 of October 8, 2001 on the Statute for a European company (SE) ("**SE-Regulation**") together with Section 170 AktG. According to Article 61 of the SE-Regulation together with Section 171 AktG, the Supervisory Board must review the financial statements, the Management Board's management report and the proposal for the allocation of the distributable profit and report to the general shareholders' meeting in writing on the results.

The general shareholders' meeting's resolution on the allocation of the distributable profit requires a simple majority of votes to be passed. Pursuant to Section 23 para. 4 of the Articles of Association, the general shareholders' meeting may also resolve that the dividends be distributed partially or entirely in kind, for example as a distribution of treasury shares if held by Rocket Internet SE at that time. At the same time, the Management Board, subject to the consent of the Supervisory Board, may decide to pay an advance on dividends in compliance with Article 5 of the SE-Regulation in conjunction with Section 59 AktG. Dividends resolved by the general shareholders' meeting are due and payable immediately after the relevant general shareholders' meeting, unless provided otherwise in the dividend resolution, in compliance with the rules of the respective clearing system. Any dividends not claimed within the past three years become time-barred. Once the statute of limitations applies, the dividend payment claim passes to Rocket Internet SE. Since all of Rocket Internet SE's dividend entitlements are evidenced by one global dividend coupon deposited with Clearstream Banking Aktiengesellschaft, Clearstream Banking Aktiengesellschaft transfers the dividends to the shareholders' custodian banks for crediting to their accounts. German custodian banks are under the same obligation to distribute the funds to their customers. Shareholders using a custodian bank located outside Germany must inquire at their respective bank regarding the terms and conditions applicable in their case. Notifications of any distribution of dividends resolved upon are published in the German Federal Gazette (*Bundesanzeiger*) immediately after the general shareholders' meeting. To the extent dividends can be distributed by Rocket Internet SE in accordance with German GAAP and corresponding decisions are taken, there are no restrictions on shareholder rights to receive dividends. Generally, withholding tax (*Kapitalertragsteuer*) is withheld from dividends paid. For more information on the taxation of dividends, see "*15.2.2 Withholding Tax*" and "16.1.1 Taxation of Dividend Income".

3.2 Dividend Policy and Earnings per Share

Rocket Internet SE currently intends to retain all available funds and future earnings, if any, to provide more equity capital to its companies to support their operations and to position them to grow. Rocket Internet SE currently does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be made in accordance with applicable laws, and will depend upon, among other factors, Rocket Internet SE's results of operations, financial condition, contractual restrictions and capital requirements. Rocket Internet SE's future ability to pay dividends may be limited by the terms of any future debt or preferred securities.

The following table shows the profit/loss for the period and earnings per share in the years ended December 31, 2013, December 31, 2014 and December 31, 2015 based on the consolidated financial statements in accordance with IFRS as of and for the years ended December 31, 2014 and December 31, 2015. Also shown is Rocket Internet SE's net income/loss for the year and the unappropriated retained earnings in the years ended December 31, 2013, December 31, 2014 and December 31, 2015, each based on the respective unconsolidated annual financial statements in accordance with German GAAP as of and for the years ended December 31, 2013, December 31, 2014 and December 31, 2015. In addition, the table shows the total dividends of profits or reserves paid to shareholders of the parent Rocket Internet SE in the years ended December 31, 2013, December 31, 2014 and December 31, 2015 as reported in Rocket Internet SE's consolidated financial statements in accordance with IFRS as of and for the years ended December 31, 2014 and December 31, 2015 and as reported in Rocket Internet SE's unconsolidated annual financial statements in accordance with German GAAP as of and for the years ended December 31, 2013, December 31, 2014 and December 31, 2015.

	Year ended December 31,		
	2013	**2014**	**2015**
	(audited, unless stated otherwise) **(in € million, unless stated otherwise)**		
Profit/loss for the period (IFRS)	1,395.6	428.8	(197.8)
Earnings per share (basic and diluted) (in €) (IFRS)[1]	11.93	3.24	(1.24)
Net income/loss for the year (German GAAP)	147.1	(45.9)	(73.4)
Unappropriated retained earnings (German GAAP)	66.6	–	(73.4)
Dividends paid to shareholders of Rocket Internet SE (IFRS)	80.6	440.0	–
thereof cash dividends (payments to shareholders of Rocket Internet SE)	*80.6*[2]	*286.8*	–
thereof non-cash dividends (distribution of non-cash assets to shareholders of Rocket Internet SE)	–	*153.2*[3]	–
Dividend pay-out to shareholders of Rocket Internet SE (German GAAP)	80.6	291.2	–
thereof cash dividends (payments to shareholders of Rocket Internet SE) (unaudited)	*80.6*[2]	*286.8*	–
thereof non-cash dividends (distribution of non-cash assets to shareholders of Rocket Internet SE) (unaudited)	–	*4.4*[4]	–

(1) Based on the weighted average number of ordinary shares in issue of about 120.1 million in 2013, 143.0 million in 2014 and 163.7 million in 2015.

(2) The cash dividend served the primary purposes of passing on profits from the sale of shares in Zalando.

(3) Fair value of the distribution in kind relating to shares in Bigfoot GmbH and BGN Brillant Services GmbH. On May 30, 2014, the then existing shareholders of Rocket Internet SE resolved on granting certain shareholders of Rocket Internet SE a dividend in kind and, consequently, Rocket Internet SE transferred by way of a separate share transfer agreement 4,145 and 1,892 shares in Bigfoot GmbH to Emesco AB and AI European Holdings S.à r.l., respectively, as well as 4,559 and 2,082 shares in BGN Brillant Services GmbH to Emesco AB and AI European Holdings S.à r.l., respectively. The fair value of the distributed shares amounted to €153.2 million. Under IFRS the Group recognized a gain from distribution of non-cash assets to owners of €60.6 million.

(4) Book value of the distributed shares in Bigfoot GmbH and BGN Brillant Services GmbH. Exercising the available accounting option in accordance with German GAAP the dividend in kind was accounted for under the book value method.

4. CAPITALIZATION AND INDEBTEDNESS; STATEMENT ON WORKING CAPITAL

The following tables set forth the Group's actual capitalization and indebtedness as of June 30, 2016. Investors should read these tables in conjunction with "*5. Selected Consolidated Financial Information*", "*6. Management's Discussion and Analysis of Financial Condition and Results of Operations*", and the unaudited interim condensed consolidated financial statements of Rocket Internet SE as of and for the six months ended June 30, 2016, including the notes thereto, which are included in this prospectus, beginning on page F-2.

4.1 Capitalization

	As of June 30, 2016
	(unaudited) (in € million)
Total current debt(1)	109.7
guaranteed	–
secured	–
unguaranteed/unsecured	109.7
Total non-current debt(2)	441.5
guaranteed	–
secured	–
unguaranteed/unsecured	441.5
Shareholders' equity(3)	3,715.5
Share capital(4)	165.1
Legal reserve(5)	3,100.1
Other reserves(6)	450.3
Total	4,266.7

(1) Shown as current liabilities in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(2) Shown as non-current liabilities in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(3) Shown as equity attributable to equity holders of the parent in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(4) Shown as subscribed capital in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(5) Shown as capital reserves in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(6) Sum of retained earnings of €309.9 million and other components of equity of €140.4 million, each as shown in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

4.2 Indebtedness

	As of June 30, 2016
	(unaudited) (in € million)
A. Cash[1]	1,682.5
B. Cash equivalents	–
C. Trading securities[2]	–
D. Liquidity (A)+(B)+(C)	**1,682.5**
E. Current financial receivable[3]	**180.2**
F. Current bank debt[4]	0.0
G. Current portion of non-current debt	6.1
H. Other current financial debt[5]	45.9
I. Current financial debt (F)+(G)+(H)	**52.0**
J. Net current financial indebtedness (I)-(E)-(D)	**(1,810.7)**
K. Non-current bank loans	–
L. Bonds issued[6]	436.2
M. Other non-current loans	–
N. Non-current financial indebtedness (K)+(L)+(M)	**436.2**
O. Net financial indebtedness (J)+(N)	**(1,374.5)**

(1) Shown as cash and cash equivalents in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(2) Rocket Internet SE does not have any trading securities as of June 30, 2016.

(3) Sum of other current financial assets of €172.6 million and trade receivables of €7.6 million, each as shown in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(4) Shown as bank liabilities within other current financial liabilities in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(5) Shown as other current financial liabilities (except for bank liabilities and the current portion of interest on the convertible bonds) in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

(6) Shown as non-current liabilities from convertible bonds within non-current financial liabilities in Rocket Internet SE's unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016.

4.3 Indirect Liabilities and Contingent Liabilities

The Group's total contractual obligations, which are also referred to as "indirect liabilities", amounted to €344.9 million as of June 30, 2016. These comprise mainly capital contribution and investment obligations, rental and lease agreements, loans granted to associated companies and other investments as well as asset backed securities issued by associated companies. The Group did not have any material contingent liabilities as of June 30, 2016.

4.4 Statement on Working Capital

Rocket Internet SE is of the opinion that the Group is in a position to meet the payment obligations that become due within at least the next twelve months from the date of this prospectus.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

The financial information contained in the following section is taken or derived from the audited consolidated financial statements of Rocket Internet SE as of and for the years ended December 31, 2014 and December 31, 2015 and the unaudited interim condensed consolidated financial statements of Rocket Internet SE as of and for the six months ended June 30, 2016. The financial information as of and for the year ended December 31, 2013 is taken or derived from comparative financial information as of and for the year ended December 31, 2013 in the audited consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2014. The consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2014 have been prepared in accordance with IFRS. The consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2015 have been prepared in accordance with IFRS and the additional requirements of Section 315a para. 1 of the German Commercial Code (Handelsgesetzbuch). The unaudited interim condensed consolidated financial statements of Rocket Internet SE as of and for the six months ended June 30, 2016 have been prepared in accordance with IFRS for interim financial reporting (IAS 34).

E&Y has audited the consolidated financial statements as of and for the years ended December 31, 2014 and 2015 and issued an unqualified auditor's report or audit opinion on each thereon. These consolidated financial statements and the auditor's report or audit opinion thereon are included in this prospectus.

Where financial information in the following tables is labelled "audited", this means that it has been taken from the audited consolidated financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited consolidated financial statements mentioned above but was taken either from Rocket Internet SE's unaudited interim condensed consolidated financial statements mentioned above or has been calculated on the basis of figures taken from the above-mentioned sources, unless otherwise indicated. All of the financial information presented in the text and tables below are shown in millions of euro (in € million), except as otherwise stated. Certain financial information in the text and in the tables (including percentages) in this prospectus has been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) may not correspond in all cases to the corresponding rounded amounts contained in the following text and tables. Furthermore, in the following tables, these rounded figures may not add up exactly to the totals contained in the respective tables and charts. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal place, unless stated otherwise. Financial information presented in parentheses denotes the presented number is a negative number, unless stated otherwise. In respect of financial information set out in the main body of the prospectus (i.e., other than in the section entitled "17. Financial Information"), a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to or equals zero.

The following selected financial information should be read together with the section "6 Management's Discussion and Analysis of Financial Condition and Results of Operations", the consolidated financial statements, including the related notes thereto, contained in this prospectus and additional financial information contained elsewhere in this prospectus.

5.1 Consolidated Statement of Comprehensive Income

	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited) (in € million, unless stated otherwise)			(unaudited) (in € million, unless stated otherwise)	
Income Statement					
Revenue	99.8	128.2	128.3	71.3	28.6
Changes in work in progress	(1.2)	0.2	–	0.5	–
Internally produced and capitalized assets	2.5	2.9	5.7	2.6	2.3
Other operating income	1.3	4.2	5.0	3.4	0.4
Result from deconsolidation of subsidiaries	(0.0)	452.6	167.0	15.7	30.4
Gain from distribution of non-cash assets to owners(1)	–	60.6	–	–	–
Purchased merchandise and purchased services(2)	(62.2)	(69.8)	(64.1)	(35.5)	(11.6)
Employee benefits expenses	(103.1)	(141.9)	(171.7)	(92.6)	(12.3)
Other operating expenses	(68.1)	(87.7)	(82.5)	(42.4)	(29.1)
Share of profit/loss of associates and joint ventures	1,449.0	75.1	(188.6)	(8.1)	(470.1)
EBITDA	**1,317.8**	**424.4**	**(200.8)**	**(85.0)**	**(461.4)**
Depreciation and amortization	(2.2)	(2.7)	(7.3)	(3.1)	(2.1)
Impairment of non-current assets	–	–	(18.1)	–	–
EBIT	**1,315.7**	**421.8**	**(226.1)**	**(88.0)**	**(463.5)**
Financial result	**91.8**	**12.0**	**29.7**	**44.8**	**(157.1)**
Finance costs	(0.9)	(16.5)	(65.4)	(15.6)	(196.1)
Finance income	92.7	28.5	95.1	60.4	39.0
(Loss)/profit before tax	**1,407.4**	**433.8**	**(196.4)**	**(43.2)**	**(620.5)**
Income taxes	(11.9)	(5.0)	(1.4)	(0.7)	3.3
(Loss)/profit for the period	**1,395.6**	**428.8**	**(197.8)**	**(43.9)**	**(617.3)**
(Profit)/loss attributable to non-controlling interests	36.3	34.2	(4.7)	10.4	34.7
(Loss)/profit attributable to equity holders of the parent	1,431.9	463.0	(202.5)	(33.5)	(582.6)
Earnings per share (in €)	11.93	3.24	(1.24)	(0.21)	(3.53)
Statement of comprehensive income					
(Loss)/profit for the period	**1,395.6**	**428.8**	**(197.8)**	**(43.9)**	**(617.3)**
Exchange differences on translation of foreign operations	0.8	(0.5)	(1.1)	0.6	0.5
Net gain on available-for-sale (AFS) financial assets	–	–	135.3	146.3	0.4
Deferred taxes on net gain on available-for-sale (AFS) financial assets	–	–	(0.2)	–	0.0
Share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	8.3	80.2	(99.0)	11.2	17.8
Deferred taxes on share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	(0.1)	(1.2)	1.4	(0.1)	(0.3)

	Year ended December 31,			Six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
Other changes in OCI	0.3	(0.3)	–	–	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	9.2	78.2	36.4	157.9	18.4
Other comprehensive income for the period, net of tax	9.2	78.2	36.4	157.9	18.4
Total comprehensive (loss)/income for the period, net of tax	**1,404.8**	**507.0**	**(161.4)**	**114.0**	**(598.8)**
Total comprehensive loss/income attributable to:					
Equity holders of the parent	1,440.6	541.5	(165.7)	123.9	(566.1)
Non-controlling interests	(35.8)	(34.5)	4.4	(9.9)	(32.8)

(1) On May 30, 2014, the then existing shareholders of Rocket Internet SE approved a dividend in kind to certain shareholders. Upon distribution of non-cash assets, the difference between the carrying amount of the dividend payable (measured at fair value of the assets distributed) and the carrying amount of the non-cash assets distributed was recognized in the consolidated statement of comprehensive income through profit or loss.

(2) Shown as purchased merchandise, raw materials and consumables used in the consolidated financial statements as of and for the year ended December 31, 2014.

5.2 Consolidated Balance Sheet

	As of December 31,			As of June 30,
	2013	2014	2015	2016
		(audited)		(unaudited)
		(in € million)		(in € million)
Property, plant and equipment	2.4	3.1	2.8	2.7
Intangible assets	6.6	9.0	129.1	11.9
Investments in associates and joint ventures	681.4	1,450.8	1,696.4	1,043.6
Non-current financial assets	68.4	338.5	1,333.2	1,218.2
Other non-current non-financial assets	0.0	4.2	0.5	0.6
Income tax assets	0.1	0.1	0.2	–
Deferred tax assets	0.1	0.0	–	–
Non-current assets	**758.9**	**1,805.8**	**3,162.2**	**2,277.1**
Inventories	7.4	11.2	0.7	1.3
Trade receivables	5.7	20.7	10.1	7.6
Other current financial assets	20.7	15.1	41.3	172.6
Other current non-financial assets	3.2	8.0	5.2	4.0
Income tax assets	0.9	1.0	0.5	0.5
Cash and cash equivalents	413.9	2,053.4	1,758.9	1,682.5
Current assets	**451.8**	**2,109.5**	**1,816.7**	**1,868.5**
Assets classified as held for sale	46.3	3.9	17.1	161.8
Total assets	**1,257.0**	**3,919.1**	**4,996.0**	**4,307.3**
Subscribed capital	0.1	153.1	165.1	165.1
Capital reserves	490.7	2,482.6	3,105.5	3,100.1
Treasury shares	(0.0)	–	–	–
Retained earnings	604.2	1,014.8	883.9	309.9
Other components of equity	8.6	87.1	123.8	140.4
Equity attributable to equity holders of the parent	**1,103.6**	**3,737.7**	**4,278.4**	**3,715.5**
Non-controlling interests	12.8	34.2	73.7	40.7
Total equity	**1,116.3**	**3,771.9**	**4,352.1**	**3,756.2**
Non-current financial liabilities	1.1	5.3	526.9	436.2
Other non-current non-financial liabilities	0.0	0.5	0.4	1.1
Income tax liabilities	–	0.0	–	–
Deferred tax liabilities	3.5	3.6	8.2	4.2
Non-current liabilities	**4.7**	**9.5**	**535.5**	**441.5**
Trade payables	23.3	43.7	11.4	11.9
Other current financial liabilities	34.2	10.1	11.8	52.0
Other current non-financial liabilities	55.8	71.9	77.3	44.3
Income tax liabilities	12.2	12.2	0.5	1.5
Current liabilities	**125.4**	**137.8**	**100.9**	**109.7**
Liabilities directly associated with assets classified as held for sale	10.6	–	7.5	–
Total liabilities	**140.7**	**147.3**	**643.9**	**551.2**
Total equity and liabilities	**1,257.0**	**3,919.1**	**4,996.0**	**4,307.3**

5.3 Selected Consolidated Statement of Cash Flows Data

	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited) (in € million)			(unaudited) (in € million)	
Cash flows from operating activities	(61.1)	(94.6)	(105.5)	(70.6)	(51.8)
Cash flows from investing activities	174.0	(163.5)	(1,347.8)	(1,190.6)	35.9
Cash flows from financing activities	119.7	1,864.3	1,165.2	598.4	(69.5)
Net change in cash and cash equivalents	232.6	1,606.3	(288.2)	(662.8)	(85.4)
Net foreign exchange difference[1]	0.1	(0.0)	3.3	0.0	(0.6)
Cash and cash equivalents at the beginning of the period[2]	214.5	447.2	2,053.4	2,053.4	1,768.6
Cash and cash equivalents at the end of the period[2]	447.2	2,053.4	1,768.6	1,390.7	1,682.5

(1) Shown as net foreign exchange difference in cash and cash equivalents in the consolidated financial statements as of and for the year ended December 31, 2014.
(2) Including cash and cash equivalents in assets classified as held for sale of €33.4 million as of December 31, 2013 and €9.7 million as of December 31, 2015.

5.4 Segments

We have identified the following five reportable segments: Home & Living, Fashion, General Merchandise, Food 1 and Food 2. In addition, headquarters, joint ventures and other network companies, not separately reportable, are grouped in the segment Other.

In Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2014, the reportable segment Fashion was presented as two separate reportable segments: E-Commerce Fashion 1 and E-Commerce Fashion 2.

The following table presents segment information for the aforementioned five reportable segments for the dates and periods indicated. Segment information as of and for the year ended December 31, 2014 was taken from the adjusted comparative information in the segment reporting as presented in Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2015. In addition to combining the reportable segments E-Commerce Fashion 1 and E-Commerce Fashion 2 to the single reportable segment Fashion, the comparative information as of and for the year ended December 31, 2014 of the segment Other and the reconciliation column were retrospectively adjusted for network entities that were either sold, ceased operations or that became reportable during 2015 in the segment reporting presented in Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015. Segment information as of and for the year ended December 31, 2013 was taken or derived from the unadjusted comparative information in the segment reporting as presented in Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2014:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited, unless stated otherwise) (in € million)			(unaudited) (in € million)	
Revenue	**99.8**	**128.2**	**128.3**	**71.3**	**28.6**
Home & Living[1]	203.2	343.5	452.8	226.4	241.4
Fashion[2]	386.1[3]	627.5	930.1	418.3	455.8
General Merchandise[4]	132.9	243.1	449.9	221.4	122.7

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited, unless stated otherwise)			(unaudited)	
	(in € million)			(in € million)	
Food 1[(5)]	14.2	69.6	305.0	112.5	291.5
Food 2[(6)]	0.7	6.7	31.5	13.4	21.7
Other	126.3	130.0	201.0	89.0	87.8
Reconciliation[(7)]	(763.6)	(1,292.2)	(2,242.0)	(1,009.7)	(1,192.2)
EBITDA	**1,317.8**	**424.4**	**(200.8)**	**(85.0)**	**(461.4)**
Home & Living[(1)]	(84.3)	(114.9)	(131.7)	(75.0)	(37.6)
Fashion[(2)]	(224.1)[(3)]	(250.3)	(318.6)	(160.9)	(82.3)
General Merchandise[(4)]	(117.4)	(227.8)	(475.9)	(213.3)	(132.0)
Food 1[(5)]	(6.5)	(15.1)	(109.5)	(22.3)	(49.2)
Food 2[(6)]	(13.3)	(38.5)	(108.7)	(49.6)	(34.6)
Other	1,294.1	(89.4)	(229.5)	(75.4)	30.6
Reconciliation[(7)]	469.3	1,160.6	1,173.0	511.5	(156.3)
Cash and cash equivalents	**413.9**	**2,053.4**	**1,758.9**	**1,390.2**	**1,682.5**
Home & Living[(1)]	63.7	50.4	64.6	136.6	48.3
Fashion[(2)]	310.0[(3)]	153.4	75.2	75.7	120.2
General Merchandise[(4)]	214.9	242.4	111.0	240.7	111.9
Food 1[(5)]	3.8	19.8	109.2	118.1	132.6
Food 2[(6)]	8.7	44.5	97.9	153.3	72.1
Other	427.1	2,114.6	1,901.5	1,474.0	1,033.5
Reconciliation[(7)]	(614.4)	(571.7)	(600.5)	(808.1)	163.9

(1) Shown as E-Commerce Home & Living in the consolidated financial statements as of and for the year ended December 31, 2014.

(2) Shown as E-Commerce Fashion 1 and E-Commerce Fashion 2 (together E-Commerce Fashion) in the consolidated financial statements as of and for the year ended December 31, 2014. In the consolidated financial statements as of and for the year ended December 31, 2015, the reportable segments E-Commerce Fashion 1 and E-Commerce Fashion 2 were combined into the single reportable segment Fashion.

(3) Unaudited.

(4) Shown as E-Commerce General Merchandise in the consolidated financial statements as of and for the year ended December 31, 2014.

(5) Shown as E-Commerce Food in the consolidated financial statements as of and for the year ended December 31, 2014.

(6) Shown as Marketplace in the consolidated financial statements as of and for the year ended December 31, 2014.

(7) For the year ended December 31, 2015, reconciliation includes the elimination of revenue of €2,272.2 million and EBITDA adjustments of €1,304.5 million from non-consolidated network companies as well as effects from consolidation. For the year ended December 31, 2014, reconciliation includes the elimination of revenue of €1,332.3 million and EBITDA adjustments of €713.2 million from non-consolidated network companies as well as effects from consolidation. For the year ended December 31, 2013, reconciliation includes the elimination of revenue of €763.6 million and €1,232.9 million operating expenses from non-consolidated network companies as well as effects from consolidation. For the six months ended June 30, 2016, reconciliation includes the elimination of €1,202.3 million revenues and EBITDA adjustments of €409.7 million from non-consolidated network companies as well as effects from consolidation. For the six months ended June 30, 2015, reconciliation includes the elimination of €1,022.7 million revenues and EBITDA adjustments of €583.1 million from non-consolidated network companies as well as effects from consolidation.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The financial information contained in the following discussion is taken or derived from the audited consolidated financial statements of Rocket Internet SE as of and for the years ended December 31, 2014 and December 31, 2015 and the unaudited interim condensed consolidated financial statements of Rocket Internet SE as of and for the six months ended June 30, 2016 and the Group's accounting or controlling records, or has been calculated on the basis of figures taken from the above-mentioned sources, unless otherwise indicated. The financial information as of and for the year ended December 31, 2013 is taken or derived from comparative financial information as of and for the year ended December 31, 2013 in the audited consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2014, the Group's accounting or controlling records, or has been calculated on the basis of figures taken from these sources. The consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2014 have been prepared in accordance with IFRS. The consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2015 have been prepared in accordance with IFRS and the additional requirements of Section 315a para. 1 of the German Commercial Code (Handelsgesetzbuch). The unaudited interim condensed consolidated financial statements of Rocket Internet SE as of and for the six months ended June 30, 2016 have been prepared in accordance with IFRS for interim financial reporting (IAS 34). Additional information included in this discussion has been taken from the audited unconsolidated annual financial statements of Rocket Internet SE as of and for the year ended December 31, 2015, which were prepared in accordance with German GAAP.

E&Y has audited the consolidated financial statements as of and for the years ended December 31, 2014 and December 31, 2015 and the unconsolidated annual financial statements as of and for the year ended December 31, 2015 and issued an unqualified auditor's report or audit opinion on each thereon. These financial statements and the auditor's report or audit opinions thereon are included in this prospectus.

Where financial information in the following tables is labelled "audited", this means that it has been taken from the audited financial statements mentioned above. The label "unaudited" is used in the following tables to indicate financial information that has not been taken from the audited financial statements mentioned above but was taken either from the unaudited interim condensed consolidated financial statements mentioned above or the Group's accounting or controlling records, or has been calculated on the basis of figures taken from the above-mentioned sources, unless otherwise indicated. All of the financial information presented in the text and tables below are shown in millions of euro (in € million), except as otherwise stated. Certain financial information in the text and in the tables (including percentages) in this prospectus has been rounded according to established commercial standards. As a result, the aggregate amounts (sum totals or sub-totals or differences or if numbers are put in relation) may not correspond in all cases to the corresponding rounded amounts contained in the following text and tables. Furthermore, in the following tables, these rounded figures may not add up exactly to the totals contained in the respective tables and charts. The percentage changes that are stated in the text and the tables have been commercially rounded to one decimal place, unless stated otherwise. Financial information presented in parentheses denotes the presented number is a negative number, unless stated otherwise. In respect of financial information set out in the main body of the prospectus (i.e., other than in the section entitled "17. Financial Information"), a dash ("–") signifies that the relevant figure is not available, while a zero ("0") signifies that the relevant figure is available but has been rounded to or equals zero.

The following discussion should be read together with Rocket Internet SE's consolidated financial statements, Rocket Internet SE's unconsolidated annual financial statements, including the related notes thereto, contained in this prospectus and additional financial information contained elsewhere in this prospectus.

6.1 Overview

We build and invest in internet companies that take proven online business models to new, underserved or untapped markets, where we seek to grow and scale the new companies. Our flexible and scalable operating platform uses standardized processes for business model identification and provides standardized solutions for a range of internet business models. We currently focus on five industry sectors that address basic consumer needs: Food & Groceries, Fashion, General Merchandise, Home & Living and Travel. We seek to reduce our risk by relying on already proven business models and bringing in external financing as we position our new companies for growth. Besides founding new companies ourselves, we invest in existing companies by either participating in a financing round or purchasing stakes through secondary transactions. These investments are geared toward long-term commitments, where we seek to create value in the long-term by developing the business. We implement our business strategy through our close involvement in the day-to-day management of many network companies and our hands-on participation in their operational development. We strive to provide these network companies with guidance to develop their operations and we seek to accelerate their operational development by giving them access to our technology platform and by sharing our proprietary knowledge with them.

We seek to exploit network effects and synergies across our platform and network of companies. With network companies already present in many of our target markets, we tend to benefit from local experience and lower marginal costs for building additional companies. We have established local ecosystems, *i.e.*, internet know-how and local operations and logistics know-how, particularly in the fields of marketing, warehousing, content production, sales, last-mile-delivery, payment and customer care, that can be utilized by the companies in the Rocket Internet network. Furthermore, our local professionals support the scaling of the network companies and help to identify new opportunities. In addition, we have partnerships with regional and global companies that give us access to their existing infrastructure, relationships and skills.

Rocket Internet SE typically owns a direct or indirect stake of 80% to 90% in the companies within the Rocket Internet network at the time of launch, with the remainder being set aside for management equity participation programs. The companies in the Rocket Internet network typically have negative operating cash flows and require substantial funding to grow their business. We seek to attract external equity financing for the companies in the Rocket Internet network from our local strategic partners and other strategic and financial investors. These investments are either made directly into the company or indirectly into a Regional Internet Group acting as intermediate holding company. Historically, this meant that the direct and indirect stake of Rocket Internet SE in a company decreased over time to less than 50% as the company grew and matured. Accordingly, Rocket Internet SE does not directly or indirectly control most of the companies in the Rocket Internet network. We will often have a low ranking claim in the distribution of proceeds from an exit due to liquidation preferences of other investors or other preferred return arrangements, which means that in some cases we may not receive any proceeds from an exit at all. In January 2016, RICP was launched. RICP can invest into companies launched by us and companies started by third parties.

Rocket Internet SE prepares consolidated financial statements that show the net assets, financial position and results of operations of the Group as a whole.

The Group's consolidated statement of comprehensive income reflects the results of operations of our fully consolidated subsidiaries and the proportional share of net income or net loss and other changes in Rocket Internet SE's share of the net assets of our equity accounted associates and joint ventures. In addition, it reflects changes in the fair value of interests in companies accounted for at FVTPL and FVTOCI. Similarly, the Group's consolidated balance sheet reflects the assets and liabilities of our fully consolidated subsidiaries and the equity value of each of our equity accounted associates and joint ventures. The Group's revenue was €128.3 million in 2015, its loss for the period was €197.8 million in 2015 and its total assets were €4,996.0 million as of December 31, 2015. For more information, see "*6.4 Results of Operations*". The loss for the period includes the Group's share of loss of associates and joint ventures of €188.6 million in 2015. The total aggregate loss of our material associates and loss from continuing operations of our material joint ventures was €1.4 billion in 2015 (see "*6.4.7.2. Comparison of the Years Ended December 31, 2015 and December 31, 2014*").

In the six months ended June 30, 2016, the Group's revenue was €28.6 million. The Group's loss for the period deteriorated sharply from a loss of €43.9 million in the six months ended June 30, 2015 to a loss of €617.3 million in the six months ended June 30, 2016, mainly due to an impairment-driven decrease in the share of profit/loss of associates and joint ventures, a decrease in the financial result and a decrease in revenue. The decrease in the share of profit/loss of associates and joint ventures was primarily related to Global Fashion Group, where a financing round that took place at a lower valuation than the preceding financing round resulted in significant impairments. It cannot be excluded that other financing rounds at lower valuations will result in further significant impairments and losses. The Group's total assets were €4,307.3 million as of June 30, 2016.

The direct or indirect ownership stakes of Rocket Internet SE in the network companies, Regional Internet Groups and New Businesses & Investments shown in all parts of this prospectus outside of the sections "*6. Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*17. Financial Information*" may differ from those used for accounting purposes and shown in the sections "*6. Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*17. Financial Information*". These differences in direct and indirect ownership stakes are mainly due to cut-off differences and differences between notarized transactions used as basis for inclusion in the last financing round valuation calculations and transaction closing which is the prerequisite for accounting purposes.

6.2 Key Factors Influencing Our Net Assets, Financial Condition, and Results of Operations

6.2.1 Consolidation

The extent to and the manner in which financial information relating to the companies in the Rocket Internet network is included in the consolidated financial statements of Rocket Internet SE depends on the method by which we account for such companies. For more information on the structure of our network, see "*8. Corporate Structure, Financing Rounds and Cash Management*". There are four methods used to account for significant companies in the Rocket Internet network: full consolidation method, equity method, FVTPL method and FVTOCI method. Furthermore, dormant insignificant subsidiaries outside consolidation are measured at cost.

As of June 30, 2016, Rocket Internet SE had 136 subsidiaries that were fully consolidated in its consolidated financial statements, 33 associated companies and joint ventures which were accounted for using the equity method of accounting, 100 participations that were accounted for at FVTPL and 3 participations that were accounted for at FVTOCI.

The applicable method is generally determined based on Rocket Internet SE's ability to control or to exercise significant influence over the respective company. While the ability to control or exercise significant influence is usually based on Rocket Internet SE's voting interest; other considerations may also be relevant when determining the accounting treatment.

6.2.1.1 Group Companies

Subsidiaries that Rocket Internet SE controls are accounted for under the full consolidation method. The Group controls a network company if and only if the Group has:

- Power over the network company (*i.e.*, existing rights that enable it to direct the relevant activities of the network company);

- Exposure, or rights, to variable returns from its involvement with the network company; and

- The ability to use its power over the network company to affect its returns.

When the Group has less than the majority of the voting or similar rights of a network company, the Group considers all relevant facts and circumstances in assessing whether it has power over a network company, including:

- The contractual agreements with the other shareholders with voting rights of the relevant network company;

- Rights arising from other contractual agreements or the network company's articles of association; and

- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls a network company if facts and circumstances indicate that there are changes to one or more of the three criteria of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The Group's consolidated subsidiaries tend to be our youngest and least mature network companies, and often have not generated significant net revenue. Under the full consolidation method, all line items from the consolidated subsidiary's financial statements, including net income, assets and liabilities and cash flows, are included in the Group's consolidated financial statements. The line item profit/loss attributable to non-controlling interests adjusts the Group's consolidated net income to reflect only the share of the earnings or losses of a consolidated subsidiary that is attributable to Rocket Internet SE's shareholders.

The main subsidiaries accounted for under the full consolidation method of accounting as of June 30, 2016 included Carspring Limited (an online marketplace for second-hand cars), MKC Brillant Services GmbH ("**MKC Brillant**") (a holding company for a number of companies in Latin America, including a website for bus tickets in Brazil, Colombia and Mexico), Global Online Takeaway Group S.A. and the holding companies for our stakes in the companies classified as New Businesses & Investments.

6.2.1.2 Non-Consolidated Companies

Non-consolidated companies are network companies in which Rocket Internet SE directly or indirectly holds an interest but which Rocket Internet SE does not, directly or indirectly, control. These include investments in associates and joint ventures and network companies without joint control or significant influence. An associate is an entity over which Rocket Internet SE directly or indirectly has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the network company, but is not control or joint control over those policies. Typically, Rocket Internet SE is presumed to have significant influence over entities in which it owns, directly or indirectly, at least 20% of the shares (but which are not directly or indirectly controlled by Rocket Internet SE).

A joint venture is a type of arrangement whereby the parties that have joint control of the arrangement have the rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its associates or joint ventures are accounted for using either the equity method or the FVTPL method. The FVTPL method is applied in the case of certain associated companies or joint ventures that were not incubated or are not being actively developed by the Group. In these cases, the Group is acting as an investor and the Group is not intensely involved in the strategic leadership and tactical implementation of the business plans of such companies. For more information, see "*4. Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies—Significant Accounting Judgement—Designation of equity instruments as financial assets at fair value through profit and loss*" on page F-56.

Other equity investments of the Group are accounted for using either the FVTPL method or the FVTOCI method.

6.2.1.2.1 Equity Method

The equity method is applied for network companies with operations that were incubated or are being actively developed by Rocket Internet SE. These network companies are often former subsidiaries of the Group. For more information, see "*6.14.3 Deemed Disposals of Subsidiaries*". Rocket Internet SE is typically involved in the strategic leadership and implementation of business plans of these network companies. An investment is accounted for using the equity method from the date it becomes an associate or joint venture.

On the consolidated balance sheet, the Group's investments in associated companies and joint ventures accounted for at equity are reported as investments in associates and joint ventures. These investments are initially recorded at cost. Under the equity method, neither the associated company's or joint venture's revenue nor any other individual line item of the associated company's or joint venture's consolidated statement of comprehensive income is included in the corresponding line items of the Group's consolidated statement of comprehensive income.

The carrying amount of the investment in associates and joint ventures accounted for under the equity method is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. The Group's consolidated statement of comprehensive income reflects the Group's share of the net income of the associate or joint venture including adjustments made by the Group under the equity method, such as adjustments to the fair value that occurred at the time of acquisition or for adjustments to group-wide accounting policies as well as the Group's share of other comprehensive income of these investments. In addition, it reflects the impact of financing rounds and the sale of shares held by the Group in a network company accounted for at equity. In the case of financing rounds, the Group accounts for a dilution of its investment caused by a share issuance by a network company accounted for at equity to a third party as if the Group had sold a proportionate share of its investment (deemed disposal). In case of actual disposals, the share of profit/loss of network companies accounted for at equity includes gains and losses from disposals of Rocket Internet SE's direct and indirect interests in network companies accounted for at equity.

Other comprehensive income of companies accounted for at equity is presented as part of the Group's consolidated other comprehensive income. In addition, when there has been a change recognized directly in the equity of the associate or the joint venture, the Group recognizes its share of any such changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated in proportion to the interest in the associate.

Our main associates accounted for under the equity method as of December 31, 2015 and June 30, 2016 included Westwing Group GmbH, Home24 AG, Global Fashion Group S.A., a holding company for parts of Jumia (AEH New Africa eCommerce II GmbH), Linio (New Tin Linio II GmbH), Lazada Group S.A., HelloFresh AG, and foodpanda (Emerging Markets Online Food Delivery Holding S.à r.l.). Lazada Group S.A. ceased being an associate in April 2016, when Rocket Internet SE entered into an agreement with Alibaba relating to the sale of 9.1% of the shares in

Lazada held by Rocket Internet SE. As of June 30, 2016, the remaining investment in Lazada, which corresponds to 9.3% of the shares in Lazada (on a non-fully diluted basis; 8.8% on a fully diluted basis), was accounted for as an asset held for sale using the FVTPL method.

6.2.1.2.2 FVTPL Method

The Group has accounted for certain associated companies that were not incubated or are not being actively developed by the Group as financial assets measured using the FVTPL method. In these cases, the Group is acting as an investor and the Group is not intensely involved in the strategic leadership and tactical implementation of the business plans of such companies. Furthermore, Rocket Internet SE usually does not perform significant commercial and technical consulting services for these companies. For more information, see "*4. Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies—Significant Accounting Judgement—Designation of equity instruments as financial assets at fair value through profit and loss*" on page F-56.

The FVTPL method also applies to equity participations over which the Group has no significant influence. The Group typically has no significant influence over companies in which Rocket Internet SE directly or indirectly owns less than 20% interest of the outstanding voting rights.

Under the FVTPL method, any dividends received from such entities are recognized as finance income. Gains or losses from the revaluation of such network companies are also recognized as finance income or finance costs, respectively. On the Group's consolidated balance sheet, the Group's investments in companies accounted for using the FVTPL method are reported as non-current financial assets.

Among others, the following legal entities were accounted for under the FVTPL method as of June 30, 2016: Altigi GmbH (developer of free-to-play games), Clariness AG (clinical patient recruitment), Dealerdirect Global BV (marketplace for used cars), Funding Circle Holdings Limited (online funding marketplace), Iwoca Limited (online funding marketplace), Jimdo GmbH (website creation), MarleySpoon GmbH (fresh food at home), Naturebox Inc. (snack subscription), Thermondo GmbH (heating installation), Trusted Shops GmbH (certification of online shops) and Zalando (fashion retail). Starting from April 2016, TravelBird Nederland B.V. (travel marketplace) is accounted for as a financial asset using the FVTPL method. Before TravelBird Nederland B.V. was accounted for using the equity method.

6.2.1.2.3 FVTOCI Method

Rocket Internet SE's stakes in certain network companies are not measured using the FVTPL method, but classified as available-for-sale financial assets and measured using the FVTOCI method. Available-for-sale financial assets are also reported as non-current financial assets in the Group's consolidated balance sheet. This category includes investments intended to be held for the long-term. The most notable example is the Group's indirect stake of 39.5% in DHH (as of June 30, 2016, calculated prior to the dilutive effect of convertible instruments issued by DHH; on a fully diluted basis, Rocket Internet SE's beneficial interest in DHH amounts to 37.3%). For further information on DHH and why this stake is accounted for using the FVTOCI method, see "*7.11.2 Investments in Delivery Hero*". After initial recognition, such investments are measured at fair value, with unrealized gains or losses recognized in other comprehensive income. If and when an investment accounted for under the FVTOCI method is derecognized or impaired, the cumulative gain or loss is recognized in the financial result of the Group's consolidated statement of comprehensive income.

6.2.1.2.4 Accounting for Regional Internet Groups

Rocket Internet SE holds or held stakes in companies indirectly through Regional Internet Groups and certain intermediate holding companies (*i.e.*, Bigfoot GmbH (until December 2014), BGN Brillant Services GmbH (until December 2014) and TIN Brillant Services GmbH (until

July 2015)). Our network includes three Regional Internet Groups in Africa, Asia Pacific and the Middle East. Our Regional Internet Groups are classified as joint ventures and accounted for using the equity method. Since 2014, our Regional Internet Groups prepare consolidated financial statements at their respective levels. Operating results of their direct subsidiaries are generally reflected in such consolidated financial statements, if the subsidiaries are fully consolidated. Certain of the subsidiaries of our Regional Internet Groups act as direct and indirect holding companies for other entities in our network of companies. The same consolidation principles as described above apply in accounting for their direct and indirect subsidiaries and associated companies. For more information on our Regional Internet Groups, see "*7.7.3 Regional Internet Groups*".

6.2.2 Factors Affecting our Results of Operations

6.2.2.1 Launch and Development Cycles of the Companies in the Rocket Internet Network

One of the key elements of our business is the founding of, and investing in, new businesses, their launch and their growth. We typically finance launches of new companies with our own funds and initiate financing rounds for the companies in the Rocket Internet network, typically with third-party equity contributions, at a later stage in their development cycles. Our new businesses usually do not generate revenue for the first three to four months of their operations.

The accounting treatment of our network companies typically changes over their lifecycle. At the time of their launch, Rocket Internet SE typically directly or indirectly controls our new network companies and would, as a result, fully consolidate these companies in the Group's consolidated financial statements. As the companies grow, Rocket Internet SE's interest is typically diluted as a result of financing rounds, at which external investors typically make disproportionately larger contributions. Our largest network companies in terms of revenue and profit or loss are typically not fully consolidated.

The Group's consolidated results of operations include the results of operations of our youngest, least mature and typically smallest companies. As a result, the Group's consolidated results of operations may not be representative of the Group's total financial performance and may experience significant fluctuations due to the performance of these companies, which is typically less predictable than the performance of our larger, more mature companies. For additional information regarding indirectly held companies, see "*6.2.1.2.4 Accounting for Regional Internet Groups*".

6.2.2.2 Financing Rounds

The companies in the Rocket Internet network have typically relied on equity capital financing rounds in order to fund their ongoing operations. During the financing rounds, Rocket Internet SE's direct and indirect ownership in the companies in the Rocket Internet network are often diluted, which may result in a change in the accounting method for the company in the Group's consolidated financial statements.

Investments made directly in Rocket Internet SE's equity capital have no effect on the Group's profit or loss for the period. The effect of financing rounds below the level of Rocket Internet SE on the Group's profit or loss depends on the method used to account for the relevant company. Investments in subsidiaries accounted for using the full consolidation method impact the Group's consolidated balance sheet, but do not have an effect on the Group's profit or loss and are reported as proceeds from non-controlling interests in the Group's consolidated statement of cash flows, unless such investments lead to a loss of control.

For associated companies and joint ventures accounted for using the equity method, the Group accounts for a dilution of its investment caused by a share issuance by an associate or joint venture to a third party as if the Group had sold a proportionate share of its investment (deemed disposal). Depending on the share price agreed in the financing rounds, this may result in a deemed disposal gain or loss, which is recorded in the line item 'share of profit/loss of associates and joint ventures' in the Group's consolidated statement of comprehensive income.

The terms and conditions of financing rounds at companies accounted for using the FVTPL or FVTOCI method are used as input parameters for the valuation of such companies which are accounted for on the Group's consolidated balance sheet within the line item 'non-current financial assets'. For more information, see "*6.14.2 Valuation of Companies Accounted for at Fair Value*". Any changes to the fair value of companies accounted for using the FVTPL method are recorded on the Group's consolidated statement of comprehensive income under the financial result. Changes in the fair value of companies accounted for using the FVTOCI method are reflected in net gain on available-for-sale (AFS) financial assets in the statement of comprehensive income, except for impairments which are recognized in profit or loss. For further information of companies accounted for as non-current financial assets, see "*6.2.1.2.2 FVTPL Method*" and "*6.2.1.2.3 FVTOCI Method*".

6.2.2.3 Dividend Payments by the Companies in the Rocket Internet Network

While nearly all of the companies in the Rocket Internet network still incur losses and do not pay dividends on a regular basis, the companies in the Rocket Internet network have occasionally made dividend distributions. In the Group's consolidated financial statements, upstream dividend payments received from fully consolidated subsidiaries have no effect on profit or loss. Dividend payments from associated companies and joint ventures accounted for at equity are not recorded under the line item share of profit/loss of associates and joint ventures. Instead, the Group subtracts the cash dividend amount from the investment carrying amount. Dividends received from companies accounted for using the FVTPL method or the FVTOCI method are recorded in finance income in the Group's consolidated statement of comprehensive income.

6.2.2.4 Disposals of Interests in the Companies in the Rocket Internet Network

Historically, under certain circumstances, we sold positions in the companies in the Rocket Internet network when we deemed such a sale beneficial for the future development of the relevant businesses. The size and number of these sales transactions varied significantly from one reporting period to another depending on general market conditions and the level of interest of potential strategic and financial investors.

In the Group's consolidated financial statements, the effect of disposals of interests in the companies in the Rocket Internet network on the Group's profit or loss depends on the accounting treatment of the relevant company at the time of disposal, which determines together with the magnitude of the disposal whether the relevant company will be deconsolidated or excluded from the list of entities accounted for using the equity method, the FVTPL method or the FVTOCI method.

The Group reports earnings from disposals of its interests in fully consolidated subsidiaries as a result from deconsolidation of subsidiaries in its consolidated statement of comprehensive income. Result from deconsolidation of subsidiaries has been one of the key line items of Rocket Internet SE's statement of comprehensive income. During the six months ended June 30, 2016, it contributed an income of €30.4 million to Rocket Internet SE's loss for the period, compared to an income of €15.7 million in the six months ended June 30, 2015. In 2015, the result from deconsolidation of subsidiaries was €167.0 million, down from €452.6 million in 2014. In 2013, the result from deconsolidation of subsidiaries was insignificant.

Gains on disposals of associates or joint ventures accounted for using the equity method are recorded under share of profit/loss of associates and joint ventures in Rocket Internet SE's consolidated statement of comprehensive income. In 2013, the disposal of a 34.9% stake in Zalando led to the recognition of a total gain of €1,123.0 million. In April 2016, Rocket Internet SE agreed to sell a 9.1% stake (on a fully diluted basis) in Lazada for a cash consideration of USD 137 million to Alibaba, which led to the recognition of a total net gain of €75.1 million in the six months ended

June 30, 2016 included in share of profit/loss of associates and joint ventures. This amount includes a disposal gain of €93.2 million, which was partially offset by the share of losses for the period according to the equity method amounting to €18.1 million in the six months ended June 30, 2016. The disposal gain of €93.2 million includes a disposal gain relating to the shares sold and a fair value gain due to the revaluation of the interest in Lazada retained by us. Shareholders of Lazada, including Rocket Internet SE, also entered into a put-call arrangement with Alibaba, giving Alibaba the right to purchase, and Lazada's shareholders the right to sell collectively, their remaining stakes to Alibaba at fair market value within 12 to 18 months following the closing of the transaction.

Gains or losses from disposals of the Group's interests in companies accounted for using the FVTPL method or the FVTOCI method are recorded under the financial result in the Group's consolidated statement of comprehensive income.

6.2.2.5 Tax Treatment

The Group's profit or loss and Rocket Internet SE's net income or loss is influenced by our tax treatment in Germany. Rocket Internet SE's respective taxable income is generally subject to corporate income tax (plus the solidarity surcharge) with a total tax rate of 15.825%, and trade tax at a rate currently amounting up to approximately 17%.

Dividends Rocket Internet SE receives from domestic and foreign affiliates, however, are for the most part 95% exempt from corporate income tax and trade tax. Therefore, Rocket Internet SE's share of profit/loss of associates and joint ventures is taxed at a lower rate than its other corporate income.

The Group's weighted average applicable tax rate in 2015 was 29.42%, which was derived from the tax rate in each tax jurisdiction weighted by the relevant pre-tax profit or loss.

6.2.2.6 Acquisition of DHH

During the first half of 2015, the Group successively purchased, directly and indirectly, shares in DHH, which represented approximately 44% (prior to dilutive effects of convertible instruments issued by DHH) of the total outstanding share capital of DHH as of June 30, 2015.

Pursuant to the terms of a shareholders' agreement, Rocket Internet SE's voting rights in DHH's shareholders' meeting are limited to 30%. The Group did not obtain representation on DHH's supervisory board (as specified in the articles of association of DHH) which precludes Rocket Internet SE from participating in the policy-making processes of DHH and from obtaining timely, adequate financial information.

In light of the lack of control or significant influence, the Group classified its equity investment in DHH as available-for-sale financial assets accounted for using the FVTOCI method. For further information on DHH and why this stake is accounted for using the FVTOCI method, see "*7.11.2 Investments in Delivery Hero*" and "*6.2.1.2.3 FVTOCI Method*". This category includes investments intended to be held for the long-term. As of June 30, 2016 the carrying amount of the shares in DHH amounted to €979.4 million.

Contrary to the recognition of gains or losses under the FVTPL method, any gains or losses on the Group's investment in DHH are recognized in other comprehensive income, except for impairments which are recognized in profit or loss. For example, in 2015 the Group recognized changes in fair value of available-for-sale (AFS) financial assets in other comprehensive income in the amount of €136.7 million, which mainly relate to gain from valuation of the shares in DHH.

6.2.3 Factors Affecting the Comparability of Financial Information

The composition of Rocket Internet SE's consolidated financial statements may differ from period to period primarily due to whether or not the full consolidation method, equity method, FVTPL method or FVTOCI method was applied to the companies in the Rocket Internet network. Changes in the accounting method are often due to fluctuations in ownership interest resulting from financing rounds or other liquidity events. For example, Lazada Group S.A. ceased being an associate in April 2016, when Rocket Internet SE entered into an agreement with Alibaba relating to the sale of 9.1% of the shares in Lazada held by Rocket Internet SE. As of June 30, 2016, the remaining investment in Lazada was accounted for as an asset held for sale using the FVTPL method.

6.3 Explanation of Key Statement of Comprehensive Income Items

Rocket Internet SE prepares its consolidated statement of comprehensive income using the nature of expense method (*Gesamtkostenverfahren*). Under this method, the operating result is determined by deducting all expenses of the relevant reporting period from revenue, and adding changes in work in progress, internally produced and capitalized assets and other operating income. The expenses are broken down by their nature.

6.3.1 Revenue

The Group generates revenue primarily from the sale of goods (online and mobile trade/eCommerce), from rendering intermediation services (specialized online and mobile transaction platforms for goods and services/marketplaces), from re-selling of services purchased from third parties and from rendering other services including consulting services provided to network companies and other customers.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group evaluates whether it is appropriate to record the gross amount of product sales and related costs. In case the Group is primarily obligated in a transaction, is subject to inventory risk, has discretion in establishing prices and selecting suppliers, or has several but not all of these indicators, revenue is recorded at the gross sales price. Revenue from commissions is recognized at the point of order fulfillment, *i.e.* the point at which an intermediation service is successfully processed and the Group has no remaining transactional obligations. Revenue from the sale of goods is recognized when the significant risk and rewards of ownership of the goods have passed to the buyer, usually upon delivery of the goods. Revenue from consulting services is recognized by reference to the stage of completion. Stage of completion is measured by reference to labor hours incurred until the reporting date as a percentage of the total estimated labor hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

6.3.2 Internally Produced and Capitalized Assets

Internally produced and capitalized assets result from the capitalization of intangible assets, mainly software platforms developed by Rocket Internet SE.

6.3.3 Other Operating Income

Other operating income mainly includes gain on disposal of available-for-sale investments, currency translation gains and recoveries on previously written-off receivables.

6.3.4 Result from Deconsolidation of Subsidiaries

When Rocket Internet SE loses control over a company, the former subsidiaries are no longer consolidated, but they usually become associated companies or joint ventures. The retained interests are measured at fair value at the date control is lost. The gain or loss that results from the deconsolidation and first-time recognition as associated company or joint venture is recognized as gain/loss from deconsolidation of subsidiaries.

For further information on the consolidation of the Group, see "*6.2.1 Consolidation*".

6.3.5 Purchased Merchandise and Purchased Services

Purchased merchandise and purchased services comprise goods, merchandise and services which the Group purchases from third parties.

6.3.6 Employee Benefits Expenses

Employee benefits expenses include salaries, bonuses and other short-term employee benefits, payments to social security, equity-settled share-based payments, cash-settled share-based payments (and other incentives), and other employee benefits expenses. Social security costs represent statutory pension insurance and other social security payments of Rocket Internet SE and consolidated subsidiaries.

6.3.7 Other Operating Expenses

Other operating expenses primarily include marketing expenses, external services, legal and consultancy, rent and occupancy costs, office and infrastructure costs, other personnel related expenses, IT costs, travel expenses, bookkeeping, year-end closing, auditing expenses, derecognition and impairment of receivables, other levies/insurance premiums and currency translation losses. Marketing expenses comprise costs for advertising, customer relations and public relations. Expenses for external services comprise costs for services rendered by third parties.

6.3.8 Share of Profit/Loss of Associates and Joint Ventures

Share of profit/loss of associates and joint ventures represents the Group's share of profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture including adjustments made by the Group under the equity method, such as adjustments to the fair value that occurred at the time of acquisition or for adjustments to group wide accounting policies. Furthermore, impairment losses as well as gains or losses from disposals of associates and joint ventures are recognized in the line item share of profit/loss of associates and joint ventures. For information on the impact of financing rounds, see "*6.2.1.2.1 Equity Method*".

6.3.9 Depreciation and Amortization

Depreciation mainly relates to hardware, office and IT equipment. Amortization refers to amortization of intangible assets including internally generated software, purchased software, licenses, brands and trademarks.

6.3.10 Financial Result

Financial result is the total of finance income and finance costs and primarily comprises valuation gains/losses from the Group's associates and other equity investments accounted for at FVTPL, dividends from such companies as well as interest expenses resulting from the convertible bonds. Financial result also includes interest received and similar income, other interest paid and similar expenses as well as currency translation gains and losses that relate to borrowings and cash and short-term deposits.

6.3.11 Income Taxes

Rocket Internet SE generates taxable income associated with the companies in the Rocket Internet network primarily in the form of sales proceeds and occasionally in the form of dividend payments. In Germany, 95% of this income is generally exempt from corporate income and trade tax (for more information, see "*6.2.2.5 Tax Treatment*"). Our revenue and other operating income are, however, subject to corporate income and/or trade tax.

6.4 Results of Operations

The following table provides an overview of the Group's results of operations for the six months ended June 30, 2015 and 2016 and for the years ended December 31, 2013, 2014, and 2015:

	Year ended December 31,			Six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
	(audited) (in € million, unless stated otherwise)			**(unaudited) (in € million, unless stated otherwise)**	
Income Statement					
Revenue	99.8	128.2	128.3	71.3	28.6
Changes in work in progress	(1.2)	0.2	–	0.5	–
Internally produced and capitalized assets	2.5	2.9	5.7	2.6	2.3
Other operating income	1.3	4.2	5.0	3.4	0.4
Result from deconsolidation of subsidiaries	(0.0)	452.6	167.0	15.7	30.4
Gain from distribution of non-cash assets to owners(1)	–	60.6	–	–	–
Purchased merchandise and purchased services(2)	(62.2)	(69.8)	(64.1)	(35.5)	(11.6)
Employee benefits expenses	(103.1)	(141.9)	(171.7)	(92.6)	(12.3)
Other operating expenses	(68.1)	(87.7)	(82.5)	(42.4)	(29.1)
Share of profit/loss of associates and joint ventures	1,449.0	75.1	(188.6)	(8.1)	(470.1)
EBITDA	**1,317.8**	**424.4**	**(200.8)**	**(85.0)**	**(461.4)**
Depreciation and amortization	(2.2)	(2.7)	(7.3)	(3.1)	(2.1)
Impairment of non-current assets	–	–	(18.1)	–	–
EBIT	**1,315.7**	**421.8**	**(226.1)**	**(88.0)**	**(463.5)**
Financial result	**91.8**	**12.0**	**29.7**	**44.8**	**(157.1)**
Finance costs	(0.9)	(16.5)	(65.4)	(15.6)	(196.1)
Finance income	92.7	28.5	95.1	60.4	39.0
Loss/profit before tax	**1,407.4**	**433.8**	**(196.4)**	**(43.2)**	**(620.5)**
Income taxes	(11.9)	(5.0)	(1.4)	(0.7)	3.3
Loss/profit for the period	**1,395.6**	**428.8**	**(197.8)**	**(43.9)**	**(617.3)**
(Profit)/loss attributable to non-controlling interests	36.3	34.2	(4.7)	10.4	34.7
(Loss)/profit attributable to equity holders of the parent	1,431.9	463.0	(202.5)	(33.5)	(582.6)
Earnings per share (in €)	11.93	3.24	(1.24)	(0.21)	(3.53)

Statement of comprehensive income					
Loss / profit for the period	**1,395.6**	**428.8**	**(197.8)**	**(43.9)**	**(617.3)**
Exchange differences on translation of foreign operations	0.8	(0.5)	(1.1)	0.6	0.5
Net gain on available-for-sale (AFS) financial assets	–	–	135.3	146.3	0.4
Deferred taxes on net gain on available-for-sale (AFS) financial assets	–	–	(0.2)	–	0.0
Share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	8.3	80.2	(99.0)	11.2	17.8
Deferred taxes on share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	(0.1)	(1.2)	1.4	(0.1)	(0.3)
Other changes in OCI	0.3	(0.3)	–	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	9.2	78.2	36.4	157.9	18.4
Other comprehensive income for the period, net of tax	9.2	78.2	36.4	157.9	18.4
Total comprehensive loss/income for the period, net of tax	**1,404.8**	**507.0**	**(161.4)**	**114.0**	**(598.8)**
Total comprehensive loss/income attributable to:					
Equity holders of the parent	1,440.6	541.5	(165.7)	123.9	(566.1)
Non-controlling interests	(35.8)	(34.5)	4.4	(9.9)	(32.8)

(1) On May 30, 2014, the then existing shareholders of Rocket Internet SE approved a dividend in kind to certain shareholders. Upon distribution of non-cash assets, the difference between the carrying amount of the dividend payable (measured at fair value of the assets distributed) and the carrying amount of the non-cash assets distributed was recognized in the consolidated statement of comprehensive income through profit or loss.

(2) Shown as purchased merchandise, raw materials and consumables used in the consolidated financial statements as of and for the year ended December 31, 2014.

6.4.1 Revenue

The following table shows a breakdown of the Group's revenue for the periods presented:

	Year ended December 31,			Six months ended June 30,	
	2013	**2014**[1]	**2015**	**2015**	**2016**
	(audited, unless stated otherwise) (in € million)			**(unaudited) (in € million)**	
Sale of goods[2]	72.6	87.4	70.7	44.4	5.7
Rendering of services[3]	27.2[4]	40.7	56.8	26.9	22.3
Interest	–	–	0.8	–	0.7
Total	**99.8**	**128.2**	**128.3**	**71.3**	**28.6**

(1) Taken from the consolidated financial statements as of and for the year ended December 31, 2015.

(2) Shown as eCommerce in the consolidated financial statements as of and for the year ended December 31, 2014.

(3) Sum of marketplaces, other services and financial technology as shown in the consolidated financial statements as of and for the year ended December 31, 2014.

(4) Unaudited.

Revenue is attributed by country on the basis of the location of customers. The following table shows a breakdown of the Group's revenue by regions for the periods presented:

	Year ended December 31,			Six months ended June 30,	
	2013	2014[1]	2015	2015	2016
	(audited, unless stated otherwise) (in € million)			(unaudited) (in € million)	
Germany	23.9	23.4	32.9	25.2	12.4
Brazil	40.6[2]	63.6	67.4	43.7	1.2
Africa	29.0	23.3	0.1	0.0	0.0
Other	6.3[2]	17.8	28.0	2.4	15.0
Total	**99.8**	**128.2**	**128.3**	**71.3**	**28.6**

(1) Taken from the consolidated financial statements as of and for the year ended December 31, 2015.
(2) Unaudited.

6.4.1.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Revenue decreased significantly by 59.9% from €71.3 million in the six months ended June 30, 2015 to €28.6 million in the six months ended June 30, 2016, primarily due to deconsolidations as a result of changes in the consolidation status, sales and the winding down of fully consolidated subsidiaries. In addition, revenue generated from rendering of services, which includes mainly revenue from consulting services performed for network companies, decreased as a result of transfers of functions and employees from the Group to non-consolidated network companies as well as disposals, discontinuance and reduced operations of non-consolidated network companies.

6.4.1.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

In 2015, revenue remained stable at €128.3 million compared to €128.2 million in 2014. Revenue consists of two main components, sale of goods and rendering of services. Sale of goods primarily reflects the operations of the Group's subsidiaries. Sale of goods decreased by 19.1% from €87.4 million in 2014 to €70.7 million in 2015. This decrease was nearly offset by an increase in rendering of services by 39.6% from €40.7 million in 2014 to €56.8 million in 2015. Rendering of services primarily includes consulting services provided to associates and joint ventures and, to a lesser extent, revenue from intermediation services (marketplaces) of the Group's subsidiaries.

6.4.1.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

In 2014, revenue increased by 28.5% from €99.8 million in 2013 to €128.2 million in 2014, as revenue from both sales of goods and rendering of services increased.

6.4.2 Other Operating Income

The following table shows a breakdown of the Group's other operating income for the periods presented:

	Year ended December 31,			Six months ended June 30,	
	2013	2014[1]	2015	2015	2016
	(audited, unless stated otherwise) (in € million)			(unaudited) (in € million)	
Currency translation gains	0.7	0.5	2.6	2.5	0.0
Gain on disposal of available-for-sale investments	0.0	1.2	0.3	0.1	0.0
True-up of written-off receivables	0.1	0.2	–	–	0.0
Other	0.5[2]	2.3	2.1	0.8	0.4
Other operating income	**1.3**	**4.2**	**5.0**	**3.4**	**0.4**

(1) Taken from the consolidated financial statements as of and for the year ended December 31, 2015.

(2) Unaudited, including prior-period income and other as shown in the consolidated financial statements as of and for the year ended December 31, 2014.

6.4.2.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Other operating income decreased sharply from €3.4 million in the six months ended June 30, 2015 to €0.4 million in the six months ended June 30, 2016, primarily due to a decrease in currency translation gains.

6.4.2.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

In 2015, other operating income increased by 19.0% from €4.2 million in 2014 to €5.0 million in 2015. This increase was largely driven by higher currency translation gains of €2.6 million in 2015 (2014: €0.5 million), which was partly offset by a lower gain on disposal of available-for-sale investments of €0.3 million (2014: €1.2 million).

6.4.2.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Other operating income increased by €2.9 million from €1.3 million in 2013 to €4.2 million in 2014, mainly due to a higher gain on disposal of available-for-sale investments in the amount of €1.2 million (2013: €0.0 million).

6.4.3 Result from Deconsolidation of Subsidiaries

When Rocket Internet SE loses control over a company, the former subsidiary is no longer consolidated but usually becomes an associated company or joint venture. The retained interests are measured at fair value at first time recognition. The gain or loss that results from the deconsolidation and first-time recognition as associated company or joint venture is recognized as gain/loss from deconsolidation of subsidiaries.

The following table shows a breakdown of the Group's result from deconsolidation of subsidiaries for the periods presented:

	Year ended December 31,			**Six months ended June 30,**	
	2013	**2014**[1]	**2015**	**2015**	**2016**
	(audited, unless stated otherwise)			**(unaudited)**	
	(in € million)			**(in € million)**	
Gains from deconsolidation					
sales of subsidiaries	–	12.2	158.4	15.7	2.3
deemed disposals (loss of control when subsidiary issues shares to third parties)	–	440.5	9.3	–	30.6
other (liquidation and deconsolidation of dormant subsidiaries)	–	–	1.3	–	1.3
Losses from deconsolidation					
sales of subsidiaries	–	(0.0)	(1.8)	0.0	(2.2)
other (liquidation and deconsolidation of dormant subsidiaries)	(0.0)[2]	(0.0)	(0.1)	–	(1.8)
Result from deconsolidation of subsidiaries	**(0.0)**	**452.6**	**167.0**	**15.7**	**30.4**

(1) Taken from the consolidated financial statements as of and for the year ended December 31, 2015.
(2) Unaudited.

6.4.3.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

The result from deconsolidation of subsidiaries nearly doubled from €15.7 million in the six months ended June 30, 2015 to €30.4 million in the six months ended June 30, 2016. In the six months ended June 30, 2016, the result from deconsolidation of subsidiaries included gains of €13.4 million from the deconsolidation of Spotcap Global S.à r.l., €12.7 million from the deconsolidation of Bus Servicos de Agendamento Ltda., €3.8 million from the transition to joint ventures (deemed disposal) of Ecommerce Pay Holding S.à r.l. and €2.3 million from the disposal of Bonnyprints GmbH.

6.4.3.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

The result from deconsolidation of subsidiaries decreased by 63.1% from €452.6 million in 2014 to €167.0 million in 2015. In 2015, the gain from deconsolidation primarily comprised proceeds from sales of subsidiaries of €158.4 million, mainly from the sale of Kanui Comercio Varejista Ltda. and Tricae Comercio Varejista Ltda. in exchange for shares in Global Fashion Group S.A. and the sale of Zencap Global S.à r.l. in exchange for shares in Funding Circle Holding Limited, London.

6.4.3.3 Comparison of the Years Ended December 31, 2013 and December 31, 2014

In 2014, the result from deconsolidation of subsidiaries amounted to €452.6 million, mainly resulting from deemed disposals in an aggregate amount of €440.5 million. These included the deemed disposals of Africa Internet Holding GmbH (€168.2 million), Asia Internet Holding S.à r.l. (€109.8 million), Middle East Internet Holding S.à r.l. (€61.2 million), Emerging Markets Taxi Holding S.à r.l. (€28.8 million), Kaymu (Kaymu Holding S.à r.l., formerly Azmalo S.à r.l.), €16.7 million), Lendico (ECommerce Holding II S.à r.l., €16.3 million), Helpling Group Holding S.à r.l. (€11.4 million) and Pricepanda Group GmbH (€10.7 million). In addition, a gain of €12.1 million, which resulted from the exchange of shares in the fully consolidated LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG (including its subsidiaries), which comprised the Latin American food delivery services operating under the consumer brands hellofood and foodpanda, for shares in Emerging Markets Online Food Delivery Holding S.à r.l., was recorded under sales of subsidiaries.

In 2013, the result from deconsolidation of subsidiaries was insignificant.

6.4.4 Purchased Merchandise and Purchased Services

The following table shows a breakdown of the Group's purchased merchandise and purchased services for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
		(audited)		**(unaudited)**	
		(in € million)		**(in € million)**	
Purchased goods/merchandise	51.4	57.4	44.7	26.4	5.3
Purchased services	10.7	12.4	19.4	9.0	6.3
Other	0.1	–	0.0	–	–
Purchased merchandise and purchased services[(1)]	**62.2**	**69.8**	**64.1**	**35.5**	**11.6**

(1) Shown as purchased merchandise, raw materials and consumables used in the consolidated financial statements as of and for the year ended December 31, 2014.

6.4.4.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Expenses for purchased merchandise and purchased services decreased by 67.3% from €35.5 million in the six months ended June 30, 2015 to €11.6 million in the six months ended June 30, 2016. The decrease was mainly due to a decrease in expenses for purchased merchandise, which was mainly caused by the deconsolidation of Tricae Comercio Varejista Ltda. and of Kanui Comercio Varejista Ltda. in September 2015. Each of these network companies accounted for expenses for purchased merchandise of €11.3 million in the six months ended June 30, 2015.

6.4.4.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Expenses for purchased merchandise and purchased services decreased by 8.2% in 2015, from €69.8 million in 2014 to €64.1 million, mainly due to the deconsolidation of Africa eCommerce Holding GmbH (holding for parts of Jumia) in July 2014. The lower expenses for purchased goods/merchandise were, however, partly offset by higher expenses for purchased services, which increased by €7.0 million in 2015 compared to 2014 due to increased cost for shipping, payment services, freight/logistics and other purchased services.

6.4.4.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Expenses for purchased merchandise and purchased services increased by 12.2% from €62.2 million in 2013 to €69.8 million in 2014. This increase was due to both higher expenses for purchased goods/merchandise (€6.0 million) and purchased services (€1.7 million) in 2014 compared to 2013.

6.4.5 Employee Benefits Expenses

The following table shows a breakdown of the Group's employee benefits expenses for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
		(audited)		**(unaudited)**	
		(in € million)		**(in € million)**	
Salaries, bonuses and other short-term employee benefits	43.0	57.8	74.4	41.4	25.8
Social security	6.8	8.9	11.5	6.7	4.5
Equity-settled share-based payments	8.2	51.3	58.0	34.7	3.5
Cash-settled share-based payments (and other incentives)	41.4	16.7	14.7	4.8	(23.6)
Other	3.7	7.2	13.1	5.0	2.1
Employee benefits expenses	**103.1**	**141.9**	**171.7**	**92.6**	**12.3**

6.4.5.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Employee benefits expenses decreased sharply from €92.6 million in the six months ended June 30, 2015 to €12.3 million in the six months ended June 30, 2016, mainly due to a decrease of €31.2 million in equity-settled share-based payments, mainly driven by the deconsolidation of subsidiaries and front-loading recognition of expenses. Further, employee benefits expenses decreased in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 due to a revaluation of liabilities for cash-settled share-based payments (and other incentives) by €28.4 million, which was mainly driven by a decrease in the fair value of the underlying equity instruments. In addition, expenses for salaries, bonuses and other short-term employee benefits and social security costs decreased in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 by €20.7 million as a result of deconsolidations and a reduction of expenses for freelancers and temporary agency workers.

6.4.5.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Employee benefits expenses increased by 21.0% from €141.9 million in 2014 to €171.7 million in 2015, mainly due to an increase of €16.6 million in salaries, bonuses and other short-term employee benefits. In addition in 2015 compared to 2014, equity-settled share-based payments rose by €6.7 million, an increase that was partly offset by lower cash-settled share-based payments (and other incentives), which decreased by €2.0 million. Social security costs increased by €2.6 million in 2015. €1.7 million of this increase were due to higher contributions to the statutory pension insurance. Other employee benefits expenses increased by €5.9 million in 2015 compared to 2014.

6.4.5.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

In 2014, employee benefits expenses increased by 37.6% from €103.1 million in 2013 to €141.9 million in 2014. This increase was largely due to higher equity-settled share-based payments, which increased by €43.1 million in 2014 compared to 2013, and was only partially offset by lower cash-settled share-based payments (and other incentives), which decreased by €24.7 million. The key driver for these changes was the implementation of Rocket Internet SE's first stock option programs in the course of the initial public offering ("**IPO**") in October 2014 and an increase of management remuneration. Salaries, bonuses and other short-term employee benefits also increased by €14.8 million in 2014 compared to 2013. Furthermore, social security costs increased by €2.1 million in 2014 compared to 2013, mainly due to higher contributions to the statutory pension insurance, which increased by €1.2 million.

6.4.6 Other Operating Expenses

The following table shows a breakdown of the Group's other operating expenses for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
	(audited, unless stated otherwise)			**(unaudited)**	
	(in € million)			**(in € million)**	
Marketing expenses(1)	24.0	32.1	31.4	15.6	4.7
Legal and consultancy	5.9	8.4	10.7	6.3	12.4
IT costs	2.6	3.9	6.3	2.9	1.0
Rent and occupancy costs	5.0	5.4	5.4	2.6	1.9
External services(2)	5.5	8.7	4.4	4.1	1.1
Office and infrastructure costs	5.4	4.5	4.2	2.4	1.2
Miscellaneous(3)	19.7	24.7	20.1	8.5	6.9
Other operating expenses	**68.1**	**87.7**	**82.5**	**42.4**	**29.1**

(1) Marketing expenses comprise costs for advertising, customer relation and public relations.
(2) Expenses for external services comprise costs for services rendered by third parties.
(3) Unaudited, miscellaneous comprises of bookkeeping, year-end closing, auditing expenses, other levies/insurance premiums, derecognition and impairment of receivables, travel expenses, other personnel related expenses/other personnel expenses, currency translation losses and other.

6.4.6.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Other operating expenses decreased by 31.4% from €42.4 million in the six months ended June 30, 2015 to €29.1 million in the six months ended June 30, 2016. This decrease was mainly due to lower marketing expenses as a result of deconsolidations. Legal and consultancy expenses increased in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 due to expenses incurred in connection with the setup of RICP.

6.4.6.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

In 2015, other operating expenses decreased by 5.9% from €87.7 million in 2014 to €82.5 million in 2015. This decrease was primarily due to lower expenses for external services, marketing expenses and miscellaneous other expenses. These decreases were partially offset by increased IT costs and legal and consultancy expenses.

In 2015, marketing expenses amounted to €31.4 million, representing a share of 38.1% of other operating expenses (2014: 36.6%) and consisted primarily of costs for advertising, customer relations and public relations.

6.4.6.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Other operating expenses increased by 28.8% from €68.1 million in 2013 to €87.7 million in 2014, mainly due to an increase in marketing expenses, which increased by €8.1 million. The increase in marketing expenses resulted from the Group's efforts to increase market share and brand awareness of fully consolidated network companies. Online marketing activities were aimed at the generation of traffic and included traditional search engine marketing, search engine optimization and affiliate and display marketing. Marketing expenses accounted for 36.6% of other operating expenses in 2014 (2013: 35.2%).

6.4.7 Share of Profit/Loss of Associates and Joint Ventures

6.4.7.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

The Group's share of profit/loss of associates and joint ventures deteriorated significantly from a loss of €8.1 million in the six months ended June 30, 2015 to a loss of €470.1 million in the six months ended June 30, 2016.

The Group's negative result from associates and joint ventures for the six months ended June 30, 2016 was primarily driven by impairment losses recognized on the level of associates and joint ventures as well as on Group level. In total, these impairment losses contributed in aggregate €471.3 million to the share of profit/loss of associates and joint ventures. The impairment losses were primarily attributable to Global Fashion Group (€359.9 million, thereof €334.2 million proportionate share of impairments recognized on the Global Fashion Group level), Linio (€58.7 million), Lendico (€19.5 million), Helpling (€12.4 million), Nestpick (€8.5 million) and Zanui (€7.0 million). In the six months ended June 30, 2015, no impairment losses were recorded. Losses for the period attributable to HelloFresh of €21.0 million (six months ended June 30, 2015: €7.4 million) and to foodpanda of €16.3 million (six months ended June 30, 2015: €6.3 million) also contributed to the share of profit/loss of associates and joint ventures in the six months ended June 30, 2016.

Lazada contributed a total net gain of €75.1 million in the six months ended June 30, 2016. This amount includes the share of losses for the period according to the equity method amounting to €18.1 million and a disposal gain of €93.2 million, which includes both a gain relating to the shares sold as well as a fair value gain due to the revaluation of the interest retained.

6.4.7.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

The Group's share of profit/loss of associates and joint ventures changed by €263.7 million from a profit of €75.1 million in 2014 to a loss of €188.6 million in 2015. In 2015, it mainly included losses attributable to Global Fashion Group of €95.9 million, to Africa Internet Group of €36.6 million, to foodpanda of €33.0 million, to Linio of €26.4 million, to Asia Pacific Internet Group of €23.3 million and to HelloFresh of €22.2 million, which were partially offset by the corresponding share of the changes in the net assets of associates/joint ventures that are recognized in other comprehensive income (OCI) of the associates/joint ventures of €99.0 million. In 2014, the share of profit of associates and joint ventures of €75.1 million mainly related to gains in connection with the restructuring to form the Global Fashion Group attributable to Bigfoot GmbH (former intermediate holding company for Namshi, FabFurnish, Jabong, Lamoda and Dafiti) of €52.0 million and to BGN Brillant Services GmbH (former intermediate holding company for Jumia and Zalora) of €48.3 million, which were partially offset by the share of loss attributable to Home24 of €12.7 million and to Westwing of €10.2 million.

The following table shows the total aggregate profit or loss of the Group's material associates and profit or loss from continuing operations of the Group's material joint ventures. The financial information shown in this table has been taken or derived from the summarized financial information of the Group's material associates and material joint ventures, as presented in accordance with IFRS 12 in Rocket Internet SE's audited consolidated financial statements as of and for the years ended December 31, 2015 and December 31, 2014 (see Note "*10 Investments in Associates and Joint Ventures*" of its audited consolidated financial statements as of and for the year ended December 31, 2015 on pages F-70 et seq. and Note "*11 Investments in Associates and Joint Ventures*" of its audited consolidated financial statements as of and for the year ended December 31, 2014 on pages F-161 et seq.). Such summarized financial information was prepared on the basis of IFRS and adjusted by Rocket Internet SE for equity accounting purposes.

Profit or loss of the Group's material associates and profit or loss from continuing operations of the Group's material joint ventures

	Year ended December 31,	
	2014	**2015**
	(audited, unless stated otherwise)	
	(in € million)	
AEH New Africa eCommerce II GmbH (holding for parts of Jumia)	(1.9)	(20.8)
TIN Brillant Services GmbH	25.6	-
foodpanda	(39.7)	(118.2)
Global Fashion Group	185.7	(379.7)
HelloFresh	(15.2)	(121.5)
Home24	(62.4)	(93.9)
Lazada	-	(315.7)
Linio	-	(69.4)
Westwing	(72.6)	(68.1)
Africa Internet Group	(80.8)	(178.5)
Asia Pacific Internet Group	1.2	(50.5)
Middle East Internet Group	(6.2)	(22.0)
Wimdu GmbH	(11.2)	-
Total aggregate profit or loss of the Group's material associates and profit or loss from continuing operations of the Group's material joint ventures (unaudited)	**(77.5)**	**(1,438.3)**

6.4.7.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

The Group's share of profit/loss of associates and joint ventures decreased by 94.8% from a profit of €1,449.0 million in 2013 to a profit of €75.1 million in 2014. The share of profit of associates and joint ventures in 2013 was mainly driven by the disposal of nearly all of the Group's shares in Zalando. In July 2013, the Group disposed a 34.9% stake in Zalando to its shareholders, which led to the recognition of a total gain of €1,123.0 million in 2013.

6.4.8 EBITDA

6.4.8.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

EBITDA deteriorated significantly from negative €85.0 million in the six months ended June 30, 2015 to negative €461.4 million in the six months ended June 30, 2016. This deterioration was mainly due to an impairment-driven decrease in the share of profit/loss of associates and joint ventures and a decrease in revenue, which were only partially offset by a decrease in employee benefits expenses, a decrease in expenses for purchased merchandise and purchased services and an increase in result from deconsolidation of subsidiaries.

6.4.8.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

EBITDA changed significantly from positive €424.4 million in 2014 to negative €200.8 million in 2015. This change was mainly due to a lower result from deconsolidation of subsidiaries and a deterioration in the share of profit/loss of associates and joint ventures. In addition, employee benefits expenses increased.

6.4.8.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

EBITDA decreased significantly from positive €1,317.8 million in 2013 to positive €424.4 million in 2014. This decrease was mainly due to a lower share of profit/loss of associates and joint ventures, as the disposal of nearly all of the Group's shares in Zalando contributed €1,123.0 million to the share of profit/loss of associates and joint ventures in 2013 and no similar transaction occurred in 2014. In addition, employee benefits expenses increased. These developments were only partially offset by a strong increase in the result from deconsolidation of subsidiaries.

6.4.9 Financial Result

The following table shows a breakdown of the Group's financial result for the periods indicated:

	Year ended December 31,			**Six months ended June 30,**	
	2013	**2014**	**2015**	**2015**	**2016**
		(audited)		**(unaudited)**	
		(in € million)		**(in € million)**	
Interest and similar income	0.7	0.6	1.0	0.7	3.2
Gain on financial instruments at FVTPL	92.0	27.7	86.2	55.0	26.1
Dividends received from associates at FVTPL(1)	0.0	0.3	4.2	3.4	0.3
Other dividends	–	–	0.4	0.0	–
Gain from the derecognition of AFS financial assets FVTOCI	–	–	1.3	1.3	–
Gain from the revaluation of financial liabilities	–	–	0.0	–	–
Gain from the buyback of convertible bonds	–	–	–	–	8.9
Currency translation gains	–	–	2.1	–	0.6

	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
		(audited)		(unaudited)	
		(in € million)		(in € million)	
Finance income	**92.7**	**28.5**	**95.1**	**60.4**	**39.0**
Interest and similar expenses	(0.9)	(1.8)	(11.8)	(1.6)	(10.6)
Loss on financial instruments at FVTPL	–	(14.7)	(53.2)	(14.0)	(184.5)
Loss from the revaluation of financial liabilities at FVTPL	–	–	(0.4)	–	(0.4)
Currency translation losses	–	–	(0.0)	–	(0.5)
Finance costs	**(0.9)**	**(16.5)**	**(65.4)**	**(15.6)**	**(196.1)**
Financial result	**91.8**	**12.0**	**29.7**	**44.8**	**(157.1)**

(1) Shown as dividends from associates at FVTPL in the consolidated financial statements as of and for the year ended December 31, 2014.

6.4.9.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

The financial result deteriorated from positive €44.8 million in the six months ended June 30, 2015 to negative €157.1 million in the six months ended June 30, 2016. The change was primarily due to changes in the fair value of financial instruments at FVTPL (network companies accounted for using the FVTPL method), which contributed a net loss of €158.4 million in the six months ended June 30, 2016 compared to a net gain of €41.0 million in the six months ended June 30, 2015. In the six months ended June 30, 2016, the main contributors to the net loss on financial instruments at FVTPL were Goodgame Studios with €71.2 million, TravelBird with €22.6 million, Zalando (in which the Group held a stake of 0.5% as of June 30, 2016) with €13.6 million, Craftsvilla with €8.3 million and Movinga with €7.0 million.

Interest expense from convertible bonds contributed €10.5 million to the finance costs in the six months ended June 30, 2016. As these convertible bonds were issued on July 22, 2015, no corresponding expense occurred in the six months ended June 30, 2015. The interest expense from convertible bonds was partially offset by a gain from the buyback of convertible bonds of €8.9 million in the six months ended June 30, 2016.

6.4.9.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

The financial result more than doubled from €12.0 million in 2014 to €29.7 million in 2015, mainly due to an increase in finance income by €66.6 million, which was partly offset by higher finance costs, which increased by €48.9 million. The increase in finance income mainly resulted from a higher gain on financial instruments at FVTPL (network companies accounted for using the FVTPL method), which increased by €58.5 million in 2015 compared to 2014. Similarly, the increased finance costs were largely a result of higher loss on financial instruments at FVTPL (network companies accounted for using the FVTPL method), which increased by €38.5 million. In addition, interest and similar expenses increased by €10.0 million in 2015 compared to 2014.

6.4.9.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

In 2014, the financial result decreased by 86.9% from €91.8 million in 2013 to €12.0 million in 2014. This decrease mainly resulted from lower finance income, which decreased by €64.2 million in 2014, mostly due to a lower gain on financial instruments at FVTPL (network companies accounted for using the FVTPL method), which decreased by €64.3 million. At the same time, finance costs increased by €15.6 million, mainly due to the loss on financial instruments at FVTPL (network companies accounted for using the FVTPL method) of €14.7 million in 2014.

6.4.10 Income Taxes

6.4.10.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Income taxes changed from income tax expenses of €0.7 million in the six months ended June 30, 2015 to income tax income of €3.3 million in the six months ended June 30, 2016. This change was primarily due to the reduction of deferred tax liabilities.

6.4.10.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

In 2015, income taxes decreased by 72.0% from €5.0 million in 2014 to €1.4 million in 2015. The Group's weighted average applicable tax rate, which was derived from the tax rate in each tax jurisdiction weighted by the relevant pre-tax profit or loss, declined by 0.90 percentage points and amounted to 29.42% in 2015 (2014: 30.32%).

6.4.10.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

In 2014, income taxes decreased by 58.0% from €11.9 million in 2013 to €5.0 million in 2014. The Group's weighted average applicable tax rate, which was derived from the tax rate in each tax jurisdiction weighted by the relevant pre-tax loss, increased by 0.17 percentage points to 30.32% in 2014 (2013: 30.15%).

6.4.11 Loss/Profit for the Period

6.4.11.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Loss for the period deteriorated significantly from a loss of €43.9 million in the six months ended June 30, 2015 to a loss of €617.3 million in the six months ended June 30, 2016. This deterioration was mainly due to an impairment-driven decrease in the share of profit/loss of associates and joint ventures, a decrease in the financial result and a decrease in revenue, which were only partially offset by a decrease in employee benefits expenses, a decrease in expenses for purchased merchandise and purchased services and an increase in result from deconsolidation of subsidiaries.

6.4.11.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Loss/profit for the period changed significantly from a profit of €428.8 million in 2014 to a loss of €197.8 million in 2015. This change was mainly due to a lower result from deconsolidation of subsidiaries and a deterioration in the share of profit/loss of associates and joint ventures. In addition, employee benefits expenses increased. These developments were only partially offset by an increase in the financial result primarily due to higher net gains on network companies accounted for using the FVTPL method.

6.4.11.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Profit for the period decreased significantly from a profit of €1,395.6 million in 2013 to a profit of €428.8 million in 2014. This decrease was mainly due to a decrease in the share of profit/loss of associates and joint ventures, as the disposal of nearly all of the Group's shares in Zalando contributed strongly to the share of profit/loss of associates and joint ventures in 2013 and no similar transaction occurred in 2014. In addition, finance income decreased primarily due to lower gains on network companies accounted for using the FVTPL method. In addition, employee benefits expenses increased. These developments were only partially offset by a strong increase in the result from deconsolidation of subsidiaries.

6.4.12 Other Comprehensive Income for the Period, Net of Tax

6.4.12.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Other comprehensive income for the period, net of tax decreased from €157.9 million in the six months ended June 30, 2015 to €18.4 million in the six months ended June 30, 2016, mainly due to a decrease in the net gain on available-for-sale (AFS) financial assets from €146.3 million in the six months ended June 30, 2015 to €0.4 million in the six months ended June 30, 2016. The share of the changes in the net assets of associates/joint ventures that are recognized in other comprehensive income (OCI) of the associates/joint ventures contributed €17.8 million to other comprehensive income for the period, net of tax in the six months ended June 30, 2016 compared to €11.2 million in the six months ended June 30, 2015.

6.4.12.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Other comprehensive income for the period, net of tax amounted to €36.4 million in 2015 compared to €78.2 million in 2014. The other comprehensive income for the period, net of tax in 2015 mainly included the net gain on available-for-sale (AFS) financial assets of €135.3 million (2014: none), which primarily resulted from fair value measurements of the Group's investment in DHH. This net gain on available-for-sale (AFS) financial assets was partially offset by the share of the changes in the net assets of associates/joint ventures that are recognized in other comprehensive income (OCI) of the associates/joint ventures. The share of these changes amounted to negative €99.0 million in 2015, compared to €80.2 million in 2014.

6.4.12.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Other comprehensive income for the period, net of tax amounted to €78.2 million in 2014 compared to €9.2 million in 2013. Other comprehensive income for the period, net of tax mainly included the share of the changes in the net assets of associates/joint ventures that are recognized in other comprehensive income (OCI) of the associates/joint ventures of €80.2 million in 2014, compared to €8.3 million in 2013.

6.5 Segment Discussion

The numbers presented in this section have been taken or derived from the segment reporting in Rocket Internet SE's consolidated financial statements as of and for the years ended December 31, 2014 and 2015. In accordance with IFRS 8, segment reporting is based on internal management data used by the chief operating decision maker for performance analysis of network companies and for the allocation of resources. While the Group does not have control over the Selected Portfolio Companies included in the reportable segments, the chief operating decision maker reviews the operating results of the relevant operating segment on a 100% basis (*i.e.*, 100% of the revenue, expenses and segment results and cash and cash equivalents) to make decisions about resource allocation and to assess performance. In order to arrive at the Group's consolidated revenue, EBITDA and cash and cash equivalents, the "reconciliation" column of the segment reporting reflects, besides consolidation adjustments for inter-segment business relations, adjustments between aggregated segment revenue, EBITDA and cash and cash equivalents and consolidated revenue, EBITDA and cash and cash equivalents.

We have identified the following five reportable segments: Home & Living, Fashion, General Merchandise, Food 1 and Food 2. Headquarters, joint ventures and other network companies, not separately reportable, are grouped in the segment Other. Our focus industry sector Travel is not represented by a separate reportable segment, but included in the segment Other. Delivery Hero is not considered an operating segment due to Rocket Internet SE's restriction to exercise significant influence and, therefore, not individually included in the segment reporting. In 2015, Delivery Hero recorded a substantial loss for the period.

In Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2014, the reportable segment Fashion was presented as two separate reportable segments, E-Commerce Fashion 1 and E-Commerce Fashion 2.

The following tables in this segment discussion present segment information for the aforementioned five reportable segments for the dates and periods indicated. Segment information as of and for the year ended December 31, 2014 was taken from the adjusted comparative information in the segment reporting as presented in Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2015. In addition to combining the reportable segments E-Commerce Fashion 1 and E-Commerce Fashion 2 to the single reportable segment Fashion, the comparative information as of and for the year ended December 31, 2014 of the segment Other and the reconciliation column were retrospectively adjusted for network entities that were either sold, ceased operations or that became reportable during 2015 in the segment reporting presented in Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015. Segment information as of and for the year ended December 31, 2013 was taken or derived from the unadjusted comparative information in the segment reporting as presented in Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2014:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited, unless stated otherwise)			(unaudited)	
	(in € million)			(in € million)	
Revenue	**99.8**	**128.2**	**128.3**	**71.3**	**28.6**
Home & Living[(1)]	203.2	343.5	452.8	226.4	241.4
Fashion[(2)]	386.1[(3)]	627.5	930.1	418.3	455.8
General Merchandise[(4)]	132.9	243.1	449.9	221.4	122.7
Food 1[(5)]	14.2	69.6	305.0	112.5	291.5
Food 2[(6)]	0.7	6.7	31.5	13.4	21.7
Other	126.3	130.0	201.0	89.0	87.8
Reconciliation[(7)]	(763.6)	(1,292.2)	(2,242.0)	(1,009.7)	(1,192.2)
EBITDA	**1,317.8**	**424.4**	**(200.8)**	**(85.0)**	**(461.4)**
Home & Living[(1)]	(84.3)	(114.9)	(131.7)	(75.0)	(37.6)
Fashion[(2)]	(224.1)[(3)]	(250.3)	(318.6)	(160.9)	(82.3)
General Merchandise[(4)]	(117.4)	(227.8)	(475.9)	(213.3)	(132.0)
Food 1[(5)]	(6.5)	(15.1)	(109.5)	(22.3)	(49.2)
Food 2[(6)]	(13.3)	(38.5)	(108.7)	(49.6)	(34.6)
Other	1,294.1	(89.4)	(229.5)	(75.4)	30.6
Reconciliation[(7)]	469.3	1,160.6	1,173.0	511.5	(156.3)
Cash and cash equivalents	**413.9**	**2,053.4**	**1,758.9**	**1,390.2**	**1,682.5**
Home & Living[(1)]	63.7	50.4	64.6	136.6	48.3
Fashion[(2)]	310.0[(3)]	153.4	75.2	75.7	120.2
General Merchandise[(4)]	214.9	242.4	111.0	240.7	111.9
Food 1[(5)]	3.8	19.8	109.2	118.1	132.6
Food 2[(6)]	8.7	44.5	97.9	153.3	72.1
Other	427.1	2,114.6	1,901.5	1,474.0	1,033.5
Reconciliation[(7)]	(614.4)	(571.7)	(600.5)	(808.1)	163.9

(1) Shown as E-Commerce Home & Living in the consolidated financial statements as of and for the year ended December 31, 2014.

(2) Shown as E-Commerce Fashion 1 and E-Commerce Fashion 2 (together E-Commerce Fashion) in the consolidated financial statements as of and for the year ended December 31, 2014. In the consolidated financial statements as of and for the year ended December 31, 2015, the reportable segments E-Commerce Fashion 1 and E-Commerce Fashion 2 were combined into the single reportable segment Fashion.

(3) Unaudited.

(4) Shown as E-Commerce General Merchandise in the consolidated financial statements as of and for the year ended December 31, 2014.

(5) Shown as E-Commerce Food in the consolidated financial statements as of and for the year ended December 31, 2014.
(6) Shown as Marketplace in the consolidated financial statements as of and for the year ended December 31, 2014.
(7) For the year ended December 31, 2015, reconciliation includes the elimination of revenue of €2,272.2 million and EBITDA adjustments of €1,304.5 million from non-consolidated network companies as well as effects from consolidation. For the year ended December 31, 2014, reconciliation includes the elimination of revenue of €1,332.3 million and EBITDA adjustments of €713.2 million from non-consolidated network companies as well as effects from consolidation. For the year ended December 31, 2013, reconciliation includes the elimination of revenue of €763.6 million and €1,232.9 million operating expenses from non-consolidated network companies as well as effects from consolidation. For the six months ended June 30, 2016, reconciliation includes the elimination of €1,202.3 million revenues and EBITDA adjustments of €409.7 million from non-consolidated network companies as well as effects from consolidation. For the six months ended June 30, 2015, reconciliation includes the elimination of €1,022.7 million revenues and EBITDA adjustments of €583.1 million from non-consolidated network companies as well as effects from consolidation.

6.5.1 Home & Living

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

The following table provides key indicators for the Home & Living segment for the dates and periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
		(audited)		**(unaudited)**	
		(in € million)		**(in € million)**	
Revenue	203.2	343.5	452.8	226.4	241.4
EBITDA	(84.3)	(114.9)	(131.7)	(75.0)	(37.6)
Cash and cash equivalents	63.7	50.4	64.6	136.6	48.3

6.5.1.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Revenue of our Home & Living segment increased by 6.6% from €226.4 million in the six months ended June 30, 2015 to €241.4 million in the six months ended June 30, 2016. At 6.6%, the increase in revenue in the six months ended June 30, 2016 was lower than in 2015 compared to 2014, when the increase in revenue was 31.8%, due to an increased focus on profitability rather than revenue growth.

EBITDA of our Home & Living segment improved by 49.9% from negative €75.0 million in the six months ended June 30, 2015 to negative €37.6 million in the six months ended June 30, 2016, as a result of the change in focus mentioned above and due to operational improvements. The EBITDA margin (EBITDA as percentage of revenue) improved significantly from negative 33.1% in the six months ended June 30, 2015 to negative 15.6% in the six months ended June 30, 2016.

6.5.1.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

In 2015, revenue of our Home & Living segment increased by 31.8% from €343.5 million in 2014 to €452.8 million in 2015, particularly due to the high revenue growth of Home24 (up by 45.9%) and despite negative impact of foreign exchange valuations with respect to the Brazilian currency which impacted both Home24's and Westwing's revenue.

EBITDA of our Home & Living segment decreased by €16.8 million from negative €114.9 million in 2014 to negative €131.7 million in 2015 due to ongoing investments in the expansion of the segment and a weak retail climate and negative foreign exchange effects concerning the segment's business in Latin America. Revenue growth, however, significantly outpaced the decrease in EBITDA, leading to a significant improvement in the EBITDA margin from negative 33.4% in 2014 to negative 29.1% in 2015.

6.5.1.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Revenue of our Home & Living segment increased by 69.0% from €203.2 million in 2013 to €343.5 million in 2014, due to an increase of the number of customers in our existing markets as well as an expansion into new markets by both Home24 and Westwing.

EBITDA of our Home & Living segment decreased by €30.6 million from negative €84.3 million in 2013 to negative €114.9 million in 2014. This decrease was mainly due to increasing offline marketing expenses, including TV advertising, and further expansion of Home24's logistics infrastructure in Germany, Poland and Brazil.

6.5.2 Fashion

The Fashion segment comprises the business activities of the Global Fashion Group, which operates retail and wholesale fashion businesses and offers, among other products, clothing, shoes and accessories. In Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2014, the reportable segment Fashion was presented as two separate reportable segments, E-Commerce Fashion 1 (consisting of Dafiti (Latin America), Lamoda (Russia/CIS), Namshi (Middle East), Zalora (Asia Pacific)) and E-Commerce Fashion 2 (consisting of Jabong (India)).

On July 26, 2016, Global Fashion Group entered into a definitive agreement for the sale of Jabong for a consideration of USD 70 million in cash. The transaction closed on August 2, 2016. For further information, see "*19. Recent Developments and Outlook*".

The following table provides key indicators for the Fashion segment for the dates and periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**(2)
	(unaudited)	**(audited)**		**(unaudited)**	
		(in € million)		**(in € million)**	
Revenue	386.1	627.5	930.1	418.3	455.8
EBITDA	(224.1)	(250.3)	(318.6)	(160.9)	(82.3)
Cash and cash equivalents	310.0	153.4(1)	75.2	75.7	120.2

(1) Cash and cash equivalents is determined on an aggregated basis for the fashion network companies. It does not include any cash and cash equivalents of the Global Fashion Group S.A. and other intermediate holding companies.
(2) Excluding discontinued operation in India (Jabong) due to the disposal of Jabong in August 2016.

6.5.2.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Revenue of our Fashion segment increased by 9.0% from €418.3 million in the six months ended June 30, 2015 to €455.8 million in the six months ended June 30, 2016. Revenue was held back by the disposal of Jabong. While Jabong's revenue was included in Global Fashion Group's revenue for the six months ended June 30, 2015, it was not included in Global Fashion Group's revenue for the six months ended June 30, 2016. Adjusting for Jabong's revenue contribution in the six months ended June 30, 2015, Global Fashion Group's revenue increased substantially in the six months ended June 30, 2016 when compared to the six months ended June 30, 2015.

EBITDA of our Fashion segment improved by 48.9% from negative €160.9 million in the six months ended June 30, 2015 to negative €82.3 million in the six months ended June 30, 2016. The EBITDA margin improved from negative 38.5% in the six months ended June 30, 2015 to negative 18.1% in the six months ended June 30, 2016. These improvements were due to the implementation of measures geared toward profitability and the exclusion of discontinued operations in India in the six months ended June 30, 2016.

6.5.2.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Revenue of our Fashion segment increased by 48.2% from €627.5 million in 2014 to €930.1 million in 2015, driven by an increase in active customers and orders.

EBITDA of our Fashion segment decreased by €68.3 million from negative €250.3 million in 2014 to negative €318.6 million in 2015. The EBITDA margin improved significantly from negative 39.9% in 2014 to negative 34.3% in 2015. This increase was mainly driven by strong operating performance of all brands in the segment.

6.5.2.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

In 2014, revenue in our Fashion segment increased by 62.5% from €386.1 million in 2013 to €627.5 million in 2014, driven by the introduction of several new brands, further adding to the increase of orders.

EBITDA decreased by €26.2 million from negative €224.1 million in 2013 to negative €250.3 million in 2014. The EBITDA margin improved from negative 58.0% in 2013 to negative 39.9% in 2014 due to economies of scale as a result of increasing volumes.

6.5.3 General Merchandise

For the years 2013, 2014 and 2015, the General Merchandise segment included Jumia, Linio and Lazada.

Jumia is an online shopping portal in Africa, focusing on fashion and electronics, which are offered through two operating models, the business-to-consumer eCommerce and the online marketplace that provides a sales platform for retailers. In August 2016, Africa eCommerce Holding GmbH, the holding company for the group operating under the Jumia brand, was merged into Africa Internet Holding GmbH.

Linio is a multi-category portal with its own delivery services in Latin America, offering a large product assortment including electronics, home & living, fashion, sports, kids' merchandise, health & beauty and media. We did not participate in Linio's last financing round, which took place in August 2016 and resulted in a significantly lower post-money valuation of Linio. As a result, Rocket Internet SE's stake in Linio will decrease to 4.9% on a fully diluted basis after the issuance of anti-dilution shares to more senior ranking investors and assuming draw down of the full investment amount of €50 million raised in Linio's last financing round. Due to the loss of significant influence it ceases to represent an operating segment. Accordingly, Linio will no longer be presented as part of the reportable segment General Merchandise from thereon.

Lazada operates an online shopping and selling destination for assorted merchandise in Southeast Asia. Lazada was included in General Merchandise until April 2016, when a stake of 9.1% was sold. Accordingly, starting from April 1, 2016, Lazada was no longer presented as part of the reportable segment General Merchandise. Due to the loss of significant influence it ceases to represent an operating segment.

The following table provides key indicators for the General Merchandise segment for the dates and periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
		(audited)		**(unaudited)**	
		(in € million)		**(in € million)**	
Revenue	132.9	243.1	449.9	221.4	122.7
EBITDA	(117.4)	(227.8)	(475.9)	(213.3)	(132.0)
Cash and cash equivalents	214.9	242.4	111.0	240.7	111.9

6.5.3.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Revenue in our General Merchandise segment decreased by 44.6% from €221.4 million in the six months ended June 30, 2015 to €122.7 million in the six months ended June 30, 2016, primarily due to the partial divestment of Lazada in April 2016, as a result of which Lazada ceased being part of the General Merchandise segment, and the continuing shift from e-commerce towards a marketplace business model in the remaining businesses.

Our General Merchandise segment's EBITDA improved from negative €213.3 million in the six months ended June 30, 2015 to negative €132.0 million in the six months ended June 30, 2016, primarily due to Lazada ceasing to be a part of the General Merchandise segment. EBITDA improvement was held back by expenses related to the continuing shift from e-commerce towards a marketplace business model. The EBITDA margin deteriorated from negative 96.3% in the six months ended June 30, 2015 to negative 107.6% in the six months ended June 30, 2016.

6.5.3.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

In 2015, revenue in our General Merchandise segment increased by 85.1% from €243.1 million in 2014 to €449.9 million in 2015, mainly driven by revenue growth of Lazada and Jumia due to an increase in the number of transactions and customers.

Our General Merchandise segment's EBITDA decreased in line with the revenue development by €248.1 million from negative €227.8 million in 2014 to negative €475.9 million in 2015. The EBITDA margin deteriorated from negative 93.7% in 2014 to negative 105.8% in 2015.

6.5.3.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Revenue of our General Merchandise segment increased by 82.9% from €132.9 million in 2013 to €243.1 million in 2014, driven primarily by revenue growth of Lazada and Jumia.

Due to ongoing investments in our businesses' infrastructure, our General Merchandise segment's EBITDA decreased by €110.4 million from negative €117.4 million in 2013 to negative €227.8 million in 2014. The EBITDA margin deteriorated from negative 88.3% in 2013 to negative 93.7% in 2014.

6.5.4 Food 1

The Food 1 segment includes the business of HelloFresh. HelloFresh operates a subscription-based business model and delivers recipes with the necessary pre-portioned ingredients to customers in Europe, North America and Asia-Pacific.

The following table provides key indicators for the Food 1 segment for the dates and periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
		(audited)		**(unaudited)**	
		(in € million)		**(in € million)**	
Revenue	14.2	69.6	305.0	112.5	291.5
EBITDA	(6.5)	(15.1)	(109.5)	(22.3)	(49.2)
Cash and cash equivalents	3.8	19.8	109.2	118.1	132.6

6.5.4.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Revenue in our Food 1 segment increased strongly from €112.5 million in the six months ended June 30, 2015 to €291.5 million in the six months ended June 30, 2016, driven by continued growth across all geographies. Particularly strong contributions came from the segment's operations in the United States and the United Kingdom.

EBITDA decreased significantly from negative €22.3 million in the six months ended June 30, 2015 to negative €49.2 million in the six months ended June 30, 2016, due to the expansion in North America and higher fulfillment cost. The EBITDA margin improved from negative 19.8% in the six months ended June 30, 2015 to negative 16.9% in the six months ended June 30, 2016, as revenue growth more than offset the decrease in EBITDA.

6.5.4.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

In 2015, revenue in our Food 1 segment increased strongly from €69.6 million in 2014 to €305.0 million in 2015, driven by an increase of active customers.

EBITDA decreased by €94.4 million from negative €15.1 million in 2014 to negative €109.5 million in 2015, due to logistics and marketing investments. These investments resulted in a decrease in the EBITDA margin from negative 21.7% in 2014 to negative 35.9% in 2015.

6.5.4.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Revenue of our Food 1 segment increased strongly from €14.2 million in 2013 to €69.6 million in 2014, particularly reflecting the nationwide product coverage in the U.S. EBITDA decreased by €8.6 million from negative €6.5 million in 2013 to negative €15.1 million in 2014 mainly due to the opening of two additional fulfillment facilities in San Francisco and Fort Worth. Economies of scale resulted in an improvement of the EBITDA margin from negative 45.8% in 2013 to negative 21.7% in 2014.

6.5.5 Food 2

The Food 2 segment includes the business of foodpanda, which operates an online food delivery platform in emerging markets.

The following table provides key indicators for the Food 2 segment for the dates and periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	**2014**	**2015**	**2015**	**2016**
		(audited)		**(unaudited)**	
		(in € million)		**(in € million)**	
Revenue	0.7	6.7	31.5	13.4	21.7
EBITDA	(13.3)	(38.5)	(108.7)	(49.6)	(34.6)
Cash and cash equivalents	8.7	44.5	97.9	153.3	72.1

6.5.5.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Revenue in our Food 2 segment increased by 61.9% from €13.4 million in the six months ended June 30, 2015 to €21.7 million in the six months ended June 30, 2016, mainly due to higher fees and a larger number of orders in key markets.

EBITDA improved by 30.2% from negative €49.6 million in the six months ended June 30, 2015 to negative €34.6 million in the six months ended June 30, 2016, primarily due to higher operational efficiency and lower expenses for marketing measures. The EBITDA margin improved significantly from negative 370.1% in the six months ended June 30, 2015 to negative 159.4% in the six months ended June 30, 2016.

6.5.5.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

In 2015, revenue in our Food 2 segment increased strongly from €6.7 million in 2014 to €31.5 million in 2015, due to a strong increase of orders, which was driven by a further growth of the user base.

EBITDA decreased by €70.2 million from negative €38.5 million in 2014 to negative €108.7 million in 2015, due to significant investments in the segment's infrastructure and marketing. The EBITDA margin improved significantly from negative 574.6% in 2014 to 345.1% in 2015.

6.5.5.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

Revenue in our Food 2 segment increased by €6.0 million from €0.7 million in 2013 to €6.7 million in 2014, due to a significant increase of orders, which was partially driven by several acquisitions in Russia, Hungary, Croatia, Serbia and Bosnia.

EBITDA decreased by €25.2 million from negative €13.3 million in 2013 to negative €38.5 million in 2014 in light of ongoing investments in the segment's infrastructure.

6.5.6 Other

The segment Other includes Rocket Internet SE's business activities (headquarters), the joint ventures Asia Pacific Internet Group and Middle East Internet Holding and advanced businesses such as Helpling, Traveloka and CupoNation, which are not separately reportable.

The following table provides key indicators for the segment Other for the dates and periods indicated:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	2014	2015	2015	2016
		(audited) (in € million)		(unaudited) (in € million)	
Revenue	126.3	130.0	201.0	89.0	87.8
EBITDA	1,294.1	(89.4)	(229.5)	(75.4)	30.6
Cash and cash equivalents	427.1	2,114.6	1,901.5	1,474.0	1,033.5

6.5.6.1 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

Revenue in our segment Other remained nearly stable at €87.8 million in the six months ended June 30, 2016 compared to €89.0 million in the six months ended June 30, 2015. During the same period, EBITDA improved from negative €75.4 million in the six months ended June 30, 2015 to positive €30.6 million in the six months ended June 30, 2016, driven primarily by gains from the partial disposal of Lazada shares presented within EBITDA.

6.5.6.2 Comparison of the Years Ended December 31, 2015 and December 31, 2014

Revenue in our segment Other increased by 54.6% from €130.0 million in 2014 to €201.0 million in 2015. During the same period, EBITDA decreased by €140.1 million from negative €89.4 million in 2014 to negative €229.5 million in 2015.

6.5.6.3 Comparison of the Years Ended December 31, 2014 and December 31, 2013

In 2014, revenue in our segment Other increased by 2.9% from €126.3 million in 2013 to €130.0 million in 2014. EBITDA of our segment Other decreased by €1,383.5 million from positive €1,294.1 million in 2013 to negative €89.4 million in 2014. In 2013, EBITDA of our segment Other was mainly driven by the disposal of nearly all of the Group's shares in Zalando. In 2014, no similar transaction occurred.

6.6 Liquidity and Capital Resources

6.6.1 Consolidated Cash Flow Statement Data

The following table provides an overview of the Group's cash flows for the periods presented:

	Year ended December 31,			Six months ended June 30,	
	2013	2014	2015	2015	2016
		(audited) (in € million)		(unaudited) (in € million)	
Cash flows from operating activities	(61.1)	(94.6)	(105.5)	(70.6)	(51.8)
Cash flows from investing activities	174.0	(163.5)	(1,347.8)	(1,190.6)	35.9
Cash flows from financing activities	119.7	1,864.3	1,165.2	598.4	(69.5)
Net change in cash and cash equivalents	232.6	1,606.3	(288.2)	(662.8)	(85.4)
Net foreign exchange difference(1)	0.1	(0.0)	3.3	0.0	(0.6)
Cash and cash equivalents at the beginning of the period(2)	214.5	447.2	2,053.4	2,053.4	1,768.6
Cash and cash equivalents at the end of the period(2)	447.2	2,053.4	1,768.6	1,390.7	1,682.5

(1) Shown as net foreign exchange difference in cash and cash equivalents in the consolidated financial statements as of and for the year ended December 31, 2014.

(2) Including cash and cash equivalents in assets classified as held for sale of €33.4 million as of December 31, 2013 and €9.7 million as of December 31, 2015.

6.6.2 Comparison of the Six Months Ended June 30, 2016 and June 30, 2015

6.6.2.1 Cash flows from Operating Activities

Cash flows from operating activities improved by 26.6% from a cash outflow of €70.6 million in the six months ended June 30, 2015 to a cash outflow of €51.8 million in the six months ended June 30, 2016. In both periods, the cash outflow from operating activities was mainly attributable to start-up losses incurred by consolidated subsidiaries. The lower cash outflow in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 was mainly due to the deconsolidation of subsidiaries, which was partially offset by an increase of working capital and higher cash outflows for interest paid.

6.6.2.2 Cash flows from Investing Activities

Cash flows from investing activities changed significantly from a cash outflow of €1,190.6 million in the six months ended June 30, 2015 to a cash inflow of €35.9 million in the six months ended June 30, 2016. This change was primarily due to lower cash outflows for acquisitions of non-consolidated equity investments. Acquisitions of non-consolidated equity investments led to cash outflows of €14.2 million in the six months ended June 30, 2016 compared to cash outflows of €1,067.3 million in the six months ended June 30, 2015, which were mainly due to the acquisition of shares in DHH.

Aggregate proceeds from disposal of non-consolidated equity investments and from sale of subsidiaries increased from €22.9 million in the six months ended June 30, 2015 to €210.5 million in the six months ended June 30, 2016, mainly related to the sale of Grupo Yamm Comida a Domicilio S.L. ("**La Nevera Roja**"), Webs S.r.l. ("**Pizzabo.it**") and Lazada.

Cash paid in connection with short-term financial management of cash investments accounted for cash outflows of €144.3 million in the six months ended June 30, 2016 compared to cash outflows of €60.2 million in the six months ended June 30, 2015. The cash outflows from short-term financial management of cash investments mainly related to short-term loans granted to associated companies and joint ventures, mainly Global Fashion Group, as well as to short-term bank deposits.

6.6.2.3 Cash flows from Financing Activities

Cash flows from financing activities changed from a cash inflow of €598.4 million in the six months ended June 30, 2015 to a cash outflow of €69.5 million in the six months ended June 30, 2016. The cash outflow in the six months ended June 30, 2016 mainly related to the repurchase of convertible bonds at the level of Rocket Internet SE. The cash inflow in the six months ended June 30, 2015 mainly related to proceeds from the issuance of shares by Rocket Internet SE.

6.6.3 Comparison of the Years Ended December 31, 2015 and December 31, 2014

6.6.3.1 Cash flows from Operating Activities

In 2015, cash flows from operating activities decreased by 11.5% from a cash outflow of €94.6 million in 2014 to a cash outflow of €105.5 million. This decrease in cash flows from operating activities was mainly due to an increase in income taxes paid and an increase in working capital.

6.6.3.2 Cash flows from Investing Activities

Cash flows from investing activities decreased significantly from a cash outflow of €163.5 million in 2014 to a cash outflow of €1,347.8 million in 2015. This change in cash outflows was mainly due to higher cash outflows for acquisitions of non-consolidated equity investments in the amount of €1,219.5 million in 2015 (2014: cash outflows of €116.4 million), mainly due to the acquisition in shares of DHH and Rocket Internet's participation in financing rounds and purchases of existing shares of HelloFresh, Global Fashion Group, Home24, foodpanda, TravelBird and Lazada. Also, significant cash outflows were recorded in 2015 for the acquisition of subsidiaries, net of cash acquired, in the amount of €119.7 million (2014: €0.0 million) and cash paid in connection with short-term financial management of cash investments of €66.5 million (2014: cash outflows of €267.4 million).

6.6.3.3 Cash flows from Financing Activities

In 2015, cash flows from financing activities decreased by 37.5% from a cash inflow of €1,864.3 million in 2014 to a cash inflow of €1,165.2 million. These cash inflows mainly comprised proceeds from the issuance of shares to the equity holders of the parent Rocket Internet SE (2015: €588.5 million; 2014: €2,070.4 million) and proceeds from the issuance of convertible bonds (2015: €550.0 million; 2014: none) as well as proceeds from non-controlling interests (2015: €58.0 million; 2014: €101.6 million).

6.6.4 Comparison of the Years Ended December 31, 2014 and December 31, 2013

6.6.4.1 Cash flows from Operating Activities

In 2014, cash flows from operating activities decreased by 54.8% from a cash outflow of €61.1 million in 2013 to a cash outflow of €94.6 million. This decrease in cash flows from operating activities was primarily due to an increase in working capital.

6.6.4.2 Cash flows from Investing Activities

Cash flows from investing activities changed by €337.5 million from a cash inflow of €174.0 million in 2013 to a cash outflow of €163.5 million in 2014. The main cash outflows were recorded in connection with cash paid for acquisitions of non-consolidated equity investments (2014: €116.4 million; 2013: €11.0 million) and for short-term financial management of cash investments (2014: €267.4 million; 2013: €15.4 million). These cash outflows were partly offset by a cash inflow in the amount of €260.7 million due to cash received in connection with short-term financial management of cash investments in 2014 and in the amount of €194.8 million due to proceeds from disposal of non-consolidated equity investments in 2013.

6.6.4.3 Cash flows from Financing Activities

In 2014, cash flows from financing activities increased significantly by €1,744.6 million from a cash inflow of €119.7 million in 2013 to a cash inflow in the amount of €1,864.3 million. The main cash inflows came from proceeds from issuance of shares to equity holders of the parent Rocket Internet SE (2014: €2,070.4 million; 2013: €159.9 million) and proceeds from non-controlling interests (2014: €101.6 million; 2013: €23.9 million), and were partly offset by cash outflows due to dividends paid to the equity holders of the parent Rocket Internet SE (2014: €286.8 million; 2013: €80.6 million). The issuance of shares of Rocket Internet SE also led to a cash outflow of €25.1 million in 2014 due to the transaction costs associated with issuing the shares.

6.7 Investments

Investments where the Group has neither control nor significant influence are accounted for as equity investments at FVTPL or as available-for-sale assets at FVTOCI.

The following table presents an overview of the development of the Group's equity investments (financial assets) accounted for at fair value in the periods from January 1, 2014 through June 30, 2016:

	Change in financial assets accounted for at FVTPL	Change in AFS (available-for-sale) financial assets at FVTOCI	Total
	(audited, unless stated otherwise) (in € million)		(unaudited) (in € million)
Opening balance (carrying amount) as of January 1, 2014	**66.1**	–	**66.1**
Additions (including contributions in kind)	266.9	–	266.9
Reclassifications	(7.3)	–	(7.3)
Changes in fair value recognized in profit or loss	12.9	–	12.9
Disposals	(2.1)	–	(2.1)
Closing balance (carrying amount) as of December 31, 2014/opening balance (carrying amount) as of January 1, 2015	**336.5**	**–**	**336.5**
Additions (including contributions in kind)	83.2	863.8	947.0
Reclassifications/reclassification to profit or loss	(15.6)	(1.3)	(16.9)
Changes in fair value recognized in profit or loss	33.0	–	33.0
Changes in fair value recognized in OCI	–	136.7	136.7
Disposals	(106.2)	0.0	(106.2)
Closing balance (carrying amount) as of December 31, 2015/opening balance (carrying amount) as of January 1, 2016 (unaudited)	**331.0**	**999.1**	**1,330.1**
Additions (including contributions in kind) (unaudited)	12.2	–	12.2
Reclassifications/reclassification to profit or loss (unaudited)	185.9	–	185.9
Changes in fair value recognized in profit or loss (unaudited)	(158.4)	–	(158.4)
Changes in fair value recognized in OCI (unaudited)	–	0.4	0.4
Disposals (unaudited)	(3.3)	–	(3.3)
Closing balance (carrying amount as of June 30, 2016) (unaudited)	**367.4**	**999,5**	**1,366.9**

Significant investments between July 1, 2016 and the date of this prospectus are included in the following section.

6.7.1 Historical Investments

Significant investments between July 1, 2016 and the date of this prospectus related to a €18.9 million cash investment into Global Fashion Group in July 2016 and a €1.4 million cash investment into Home24 in September 2016. There were no other significant investments between July 1, 2016 and the date of this prospectus.

The following table provides an overview of the investment activities undertaken in the years 2013, 2014 and 2015 and in the six months ended June 30, 2016:

	Year ended December 31,			Six months ended June 30,
	2013	2014	2015	2016
		(unaudited) (in € million)		(unaudited) (in € million)
Total investments/(divestments)	**(172.6)**	**536.2**	**1,565.7**	**29.9**
Cash investing/(disinvesting) activities	(174.0)	163.5	1,347.8	(35.9)
Non-cash investing activities	1.4	372.7	217.9	65.8

In the six months ended June 30, 2016, the proceeds from divestments exceeded the cash outflows for investing activities, mainly due to divestments of La Nevera Roja, Pizzabo.it and Lazada.

In the six months ended June 30, 2016, the main non-cash investing activities related to outstanding payables for investments in a joint venture and the exchange of shares in Linio for shares in AEH New Africa eCommerce II GmbH.

In 2015, cash investing activities consisted mainly of several cash investments in the aggregate amount of €767.9 million in DHH. Other substantial investments in 2015 were the purchase of shares in associated companies accounted for using the equity method amounting to €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. In total, payments in the amount of €1,219.5 million (2014: €116.4 million) were made for acquisition of non-consolidated companies and of €119.7 million, net of cash acquired (2014: €0.0 million), for acquisition of consolidated companies, mainly for La Nevera Roja and Pizzabo.it.

In 2015, the main non-cash investing activities related to transactions concerning the acquisition of new shares in Global Fashion Group in exchange for shares of Kanui and Tricae, as well as the acquisition of shares in DHH in exchange for shares of Yemek Sepeti A.S.

In 2014, cash investing activities mainly related to several substantial cash outflows for acquisitions of non-consolidated equity investments totaling €116.4 million, mainly due to Rocket Internet's participation in financing rounds and the purchase of existing shares of HelloFresh, foodpanda, BGN Brillant Services GmbH, MarleySpoon GmbH and TravelBird.

Significant non-cash investing and financing activities and transactions in 2014 comprise the exchange of shares in our Latin American food delivery businesses for shares in foodpanda accounted for at fair value, as well as the acquisition of shares in Global Fashion Holding S.A. through a contribution in kind of shares in Bigfoot GmbH. In August 2014, Rocket Internet SE increased its share capital and used the new shares to acquire several participations held by Holtzbrinck Ventures, United Internet AG and Global Founds Fund GmbH.

In 2013, the proceeds from divestments exceeded the cash outflows for investing activities. Primarily, the Group received cash proceeds from disposals of shares in Zalando totaling €193.1 million in 2013. Cash investing activities in 2013 also included €11.0 million cash paid for acquisitions of non-consolidated equity investments.

In 2013, significant non-cash investing activities included the exchange of shares in an associate providing payday loans for shares in Wonga Limited.

6.7.2 *Investments that are in Progress*

As of the date of this prospectus, the Group had capital contribution and investment obligations resulting from agreements concluded prior to that date in an aggregate amount of approximately €70 million.

6.7.3 *Principal Future Investments*

As of the date of this prospectus, there are no further principal future investments on which Rocket Internet SE's management board has already made a firm commitment. Accordingly, Rocket Internet SE currently does not require funding for such investments.

6.8 Bank and Loan Liabilities

Our business is primarily equity-financed resulting in a financing structure that is dominated by equity capital. The Group utilizes only *de minimis* amounts of bank debt, which is recorded as financial liabilities on its consolidated balance sheet, and represents overdraft amounts drawn on its bank accounts. Accordingly, Rocket Internet SE and the Group do not use any significant hedging instruments to cover interest rate risks in connection with bank debt. In the medium to long term, Rocket Internet SE could require additional capital, such as cash to finance its corporate overhead and to meet its existing funding plans.

The following table presents a maturity profile for the principal amounts of the Group's convertible bond and interest-bearing loans and borrowings as of December 31, 2015:

	As of December 31, 2015			
	Up to 1 year	**1 to 5 years**	**More than 5 years**	**Total[1]**
	(audited, unless stated otherwise)			**(unaudited)**
	(in € million)			
Convertible bond	–	–	550.0	**550.0**
Interest bearing loans and borrowings	3.6	1.2	0.0	**4.8**
Total (unaudited)	**3.6**	**1.2**	**550.0**	**554.8**

On July 22, 2015, Rocket Internet SE issued 5,500 convertible bonds with a principal amount of €100,000 each. The convertible bond has a term of seven years and an interest rate of 3% p.a. payable semi-annually on January, 22 and July, 22.

During the six months ended June 30, 2016, the Group repurchased convertible bonds with the aggregate principal amount of €83.7 million. As of June 30, 2016, the aggregate outstanding principal amount of the convertible bonds amounted to €466.3 million.

To cover time gaps between rounds of equity financing and in certain other cases, Rocket Internet SE extends loans to its subsidiaries and makes borrowings from affiliated companies. The Group's outstanding debt to its shareholders, associates and non-consolidated subsidiaries constitutes the bulk of its financial liabilities calculated on a consolidated basis.

6.9 Other Financial and Non-financial Liabilities

The following table presents a maturity profile of the principal amounts of the Group's other financial and non-financial liabilities as of December 31, 2015:

	As of December 31, 2015			
	Up to 1 year	1 to 5 years	More than 5 years	Total
	(audited, unless stated otherwise)			(unaudited)
	(in € million)			
Other financial liabilities[(1)]	1.0	13.7	–	**14.7**
Trade payables	11.4	–	–	**11.4**
Income tax liabilities	0.5	–	–	**0.5**
Other non-financial liabilities	77.3	0.4	–	**77.7**
Total (unaudited)	**90.2**	**14.1**	**–**	**104.3**

(1) Includes primarily contingent consideration incurred in connection with the acquisition of Pizzabo.it and mandatorily redeemable preference shares issued by a consolidated entity.

6.10 Contingent Liabilities and Other Contractual Obligations

The following table shows a breakdown of the Group's contingent liabilities and other contractual obligations as of the dates indicated:

	As of December 31			As of June 30,
	2013	2014[(1)]	2015	2016
	(audited, unless stated otherwise) (in € million)			(unaudited) (in € million)
Capital contribution and investment obligations	–	41.1	61.0	165.1
Rental and lease agreements	5.4	3.1	89.5	86.8
Loans granted	–	–	–	60.0
Loans granted to associated companies	–	–	4.0	25.0
Asset backed securities issued by associated companies	–	–	–	8
Purchase commitments and other	0.2[(2)]	0.0	–	–
Total contractual obligations	**5.6**	**44.2**	**154.5**	**344.9**

(1) Taken from the consolidated financial statements as of and for the year ended December 31, 2015.
(2) Unaudited. Shown in two separate lines as purchase commitments and other in the consolidated financial statements as of and for the year ended December 31, 2014.

6.11 Equity

The following table shows a breakdown of the Group's equity as of the dates indicated:

	As of December 31,			As of June 30,
	2013	2014	2015	2016
	(audited) (in € million)			(unaudited) (in € million)
Subscribed capital	0.1	153.1	165.1	165.1
Capital reserves	490.7	2,482.6	3,105.5	3,100.1
Treasury shares	(0.0)	–	–	–
Retained earnings	604.2	1,014.8	883.9	309.9
Other components of equity	8.6	87.1	123.8	140.4
Non-controlling interests	12.8	34.2	73.7	40.7
Total equity	**1,116.3**	**3,771.9**	**4,352.1**	**3,756.2**

6.11.1 Comparison of December 31, 2015 and June 30, 2016

Total equity decreased by 13.7% from €4,352.1 million as of December 31, 2015 to €3,756.2 million as of June 30, 2016. The decrease was mainly due to a loss for the period in the six months ended June 30, 2016 of €617.3 million mainly as a result of an impairment-driven decrease in the share of profit/loss of associates and joint ventures, which was partially offset by other comprehensive income for the period, net of tax of €18.4 million. Other changes in equity result from the increase of the reserves for equity-settled share-based payments, dividends paid to non-controlling interests and changes in the scope of consolidation and other changes in non-controlling interests.

6.11.2 Comparison of December 31, 2014 and December 31, 2015

Total equity increased from €3,771.9 million as of December 31, 2014, by 15.4% to €4,352.1 million as of December 31, 2015. This increase was mainly due to an increase of capital reserves by €622.8 million. A capital increase from authorized capital in February 2015 led to an increase in capital reserves by €574.5 million. The issuance of a convertible bond in July 2015 resulted in an increase in capital reserves by €37.5 million.

6.11.3 Comparison of December 31, 2013 and December 31, 2014

Total equity increased from €1,116.3 million as of December 31, 2013, by €2,655.6 million to €3,771.9 million as of December 31, 2014. The main reason for this increase was a rise in capital reserves by €1,991.9 million, mainly due the share premium recognized in connection with Rocket Internet SE's initial public offering in October 2014 and several capital increases in August 2014.

6.12 Quantitative and Qualitative Description of Market and Other Risks

6.12.1 Credit Risk

We define credit or default risk as the risk that our business partners will be unable to meet their contractual payment obligations, thereby resulting in a loss for the Group. Credit risk encompasses the direct risk of default and the risk of a deterioration of creditworthiness, as well as the concentration of credit risks.

The credit risks exist for all classes of financial instruments, and in particular for cash and cash equivalents, receivables from associates and trade receivables. The Group's receivables are unsecured. The maximum risk positions of financial assets, which are generally subject to credit risk, are equal to their carrying amounts.

As of June 30, 2016, on a consolidated basis, the Group had cash and cash equivalents of €1,682.5 million (December 31, 2015: €1,758.9 million). Regarding cash and cash equivalents, the Group generally only enters into agreements with banks with an excellent credit rating. Counterparty creditworthiness is continuously monitored and assessed by the Group.

The credit risks related to trade receivables from associated companies and joint ventures as well as trade receivables from subsidiaries (outside consolidation), which amounted to €3.7 million as of June 30, 2016 (December 31, 2015: €6.9 million), are managed by the Group's investment controlling department. Trade receivables from third parties, which amounted to €4.0 million as of June 30, 2016 (December 31, 2015: €3.2 million), are mainly generated in the course of e-commerce business activities of the Group. Credit risk is managed and controlled by verifying the customer creditworthiness as part of the online ordering process. If a deterioration in payment behavior or other causes potentially triggering impairment of receivables are recognized, the accounts receivable management either urges the customer to pay, or takes actions to reclaim the sold goods. Customer creditworthiness is monitored on an ongoing basis. The concentration of credit risk is limited as a result of the Group's broad, heterogeneous customer base.

Identified credit risks are covered by appropriate valuation allowances. The Group's other operating expenses include expenses for derecognition and impairment of receivables, which amounted to €1.2 million in the six months ended June 30, 2016 (year ended December 31, 2015: €2.3 million).

6.12.2 Liquidity Risk

We define liquidity risk as the risk that we will be unable to meet our payment obligations at a contractually agreed date. Rocket Internet SE is exposed to daily calls on its available cash resources. Liquidity risk is managed by the management of Rocket Internet SE. The Management Board monitors monthly rolling forecasts of Rocket Internet SE's cash flows.

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.

The capital requirements of the Group include investment in new and existing companies, as well as the ongoing capital requirements for the operating activities of the Group. We monitor the risk of liquidity shortages (liquidity risk) by means of cash budgets and reforecasts. In this regard, the maturities of financial investments and financial assets (receivables and other financial assets, for example) as well as projected cash flows from operating activities are considered. Besides existing cash and cash equivalents and proceeds from the sale of financial assets or investments, the future cash inflows from business operations represent an additional source of liquidity.

For further information on the maturity of the Group's liabilities, see "6.8 *Bank and Loan Liabilities*".

6.12.3 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 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 the financial statements of subsidiaries having a different functional currency into the reporting currency are recognized in equity in Rocket Internet SE's consolidated financial statements. Foreign exchange differences that result from exchange rate changes when translating monetary balance sheet items in foreign currency are recognized in Rocket Internet SE's consolidated statement of comprehensive income under other operating expenses or income.

The individual Group companies mainly operate in their functional currency. Therefore, there are no material foreign currency risks for the companies themselves.

During the six months ended June 30, 2016, the Group recognized a net foreign exchange gain of €0.0 million (year ended December 31, 2015: €4.3 million). The Group's only material exposure to currency risks relates to USD.

6.12.4 Interest Rate Risk

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.

6.12.5 Share Price Risk

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

6.13 First Time Adoption of IFRS

The consolidated financial statements of Rocket Internet SE as of and for the year ended December 31, 2014 presented in this prospectus are Rocket Internet SE's first consolidated financial statements that comply with IFRS. Rocket Internet SE's IFRS transition date is January 1, 2013. Please refer to Note "6 *First-time Adoption of IFRS*" of Rocket Internet SE's audited consolidated financial statements prepared in accordance with IFRS as of and for the year ended December 31, 2014 beginning on page F-150 for further information on the effects of the change in accounting policies from German GAAP to IFRS.

6.14 Critical Accounting Policies

The preparation of the Group's consolidated financial statements in accordance with IFRS requires our management to make judgments, estimates and assumptions that affect the reported amounts of income or revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market fluctuations or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Significant accounting policies are those that require the most complex or subjective judgments, often as a result of the need to make estimates about the effects of matters that are inherently uncertain. The critical accounting policies are those related to accounting for the Group's subsidiaries, associates and other participations, as well as to the scope of consolidation.

6.14.1 Shareholders' Agreements – Assessment of Control, Joint Control or Significant Influence over Network Entities

The shareholders' agreements to which Rocket Internet SE is a party are important instruments for steering the corporate governance of network companies. The shareholders' agreements typically specify that a number of important decisions need to be resolved by the shareholders. These important decisions are referred to as reserved matters. The shareholders' agreements often require a qualified majority of investors and, in certain cases, a unanimous vote of the investors for decisions regarding reserved matters. Sometimes the decision on reserved matters is conferred on an advisory board. This means that Rocket Internet SE typically cannot make or block decisions on reserved matters alone, but needs the support of one or more other investors. The reserved matters include fundamental decisions about the relevant entities, its operative and strategic plans and important transactions that exceed certain thresholds.

Based on the regulations in the shareholders' agreements Rocket Internet SE assesses whether

- it controls a network company particularly when it is exposed, or has rights, to variable returns from its involvement with the network company and has the ability to affect those returns through its power over the network company;

- it is a party of an arrangement in which two or more parties have joint control; or

- it has the power to participate in the financial and operating policy decisions of the network company but is not in control or joint control of those policies (significant influence).

Whether or not the Group controls a network company depends on an evaluation of a number of factors, including, among others, representation on its board of directors, voting rights and other rights of other investors, including their participation in significant decisions made in the ordinary course of business (*e.g.*, approval of the annual operating budget), as well as the Group's ownership level of the outstanding voting rights of the subsidiary. Depending on whether the Group controls a network company, such companies are accounted for using the consolidation method, the equity method, the FVTPL method or the FVTOCI method.

6.14.2 Valuation of Companies Accounted for at Fair Value

The Group's listed companies are valued based on quoted share prices. Unlisted companies are valued in accordance with IFRS 13 by using the valuation method that is deemed to be most suitable for each individual company.

Firstly, it is considered whether any significant, recent transactions were made at arm's length in the companies (*e.g.*, transaction where shares were issued to a new investor). For new share issues, it is taken into account whether the newly issued shares have better preference to the company's assets than earlier issued shares in the event of sale or liquidation of the company. If preferential rights have a significant impact on the assessment of the respective equity classes, the fair value is determined by using an option pricing model based on the last financing rounds and under consideration of liquidation preferences attached to the respective equity classes as stipulated in the entities' shareholder agreements. The value of such liquidation preferences is dependent on the probability of future exit scenarios. Given that there are multiple classes of equity at the network company level, we employ the hybrid method in order to allocate values to the various equity classes. The hybrid method is a hybrid between the probability-weighted expected return method and the option pricing method, which estimates the probability-weighted value across future exit scenarios, but uses the option-pricing-model to estimate the remaining unknown potential exit scenarios. Relevant valuation inputs include assumptions on the allocation of exit proceeds to share classes in future exit scenarios (liquidation preferences), but also consist of peer group assumptions (stock price volatility), dividend yield (estimated at zero) and the risk free interest rate at the end of the reporting period. Furthermore, exit scenarios in which liquidation preferences were considered relevant to the fair value were estimated with probability percentages ranging between 0% and 70% as of June 30, 2016.

For companies where no or few recent arm's length transactions have been carried out, a valuation is conducted based on future cash flows which are discounted to receive their present value. Inputs used for discounted cash flow (DCF) valuations are business plans, cost of capital plus a risk premium and assumptions used to determine sales proceeds at the end of the detailed planning phase.

Costs of capital are derived based on the capital asset pricing model, where capital market data for peer groups and risk free rates are used. In addition, a risk premium is added to the cost of capital. The risk premium reflects the uncertainty that results from the fact that the companies are still in the start-up or early development phase. The risk free rate is calculated using the Svensson's method and amounted to 1.0% as of June 30, 2016. Country risk premiums between 0.0% and 14.9% as of June 30, 2016 and a small cap premium of 3.8% as of June 30, 2016 were also applied. Long-term inflation rates between 0.0% and 10.0% (with the exception of Venezuela at 4,600.1% and Central African Republic at negative 1.66%) were also used in the calculation, as forecasted by the International Monetary Fund. For additional risk premiums, surcharges of between 7% and 47% were applied, depending on the age and planning risk of each company. To determine the sales proceeds at the end of the detailed planning phase, sales multiples in the range of 0.9x to 12.6x and/or EBITDA multiples in the range of 5.7x to 29.9x were applied as of June 30, 2016. The multiples are derived from comparable transactions or comparable listed companies in the capital market. Other parameters include an estimate of working capital assumptions, tax rates and assumptions for investment activity and depreciation.

6.14.3 Deemed Disposals of Subsidiaries

A deemed disposal occurs where the proportionate interest of a parent company in a subsidiary is reduced other than by an actual disposal, for example, through the issuance of shares to a third-party investor by the subsidiary. When the Group no longer has control, the remaining interest is measured at fair value as at the date the control was lost. When establishing the fair value, the group takes into account all the facts and circumstances surrounding the transactions such as timing, transaction size, transaction frequency, and motivations of the investors. The Group considers whether such a transaction has been made at arm's length. For new share issues, the Group also considers whether, in the event of liquidation or sale, the newly issued shares have preferences to the investee's assets over earlier issued shares.

6.14.4 Share-based Compensation

The Group has analyzed all the terms and conditions of its share-based payment awards to determine the appropriate classification of the awards recognized under IFRS 2, Share-based Payment. Some of the awards in consolidated subsidiaries include put rights of employees and others providing similar services that may only be exercised at a specified date more than ten years from the reporting date, at a price less than the market value of the interests held by employees. Other terms and conditions of these awards allow a subsidiary to settle the awards in equity to avoid any cash payment. Based on this analysis, the Group concluded that it has two settlement scenarios: One scenario would be considered cash-settled in its entirety, whereas the other scenario would be considered equity-settled in its entirety. Given the exit strategies of the Group that would allow settlement in equity, the Group concluded that it has no present obligation to settle in cash and therefore recognized those share-based payment awards as equity-settled plans. This management judgment is re-assessed at each reporting date.

6.14.5 Classification of Shares in DHH as Available-for-Sale Financial Assets

In light of the lack of significant influence over DHH, the Group classified its equity investment in DHH as an available-for-sale financial asset. This category includes investments intended to be held for the long-term. For further information on the Group's investment in DHH, see "*7.11.2 Investments in Delivery Hero*".

6.15 Additional Information from Rocket Internet SE's Unconsolidated Annual Financial Statements prepared in Accordance with German GAAP as of and for the Year ended December 31, 2015

Rocket Internet SE's unconsolidated annual financial statements as of and for the year ended December 31, 2015 have been prepared in accordance with German GAAP. Accounting principles set forth in German GAAP differ from IFRS in material ways.

These financial statements are used to calculate Rocket Internet SE's distributable profit (*Bilanzgewinn*). Dividends to shareholders of Rocket Internet SE may only be distributed from such distributable profit. As of December 31, 2015 and December 31, 2014, there were no distributable profits. In its unconsolidated annual financial statements as of and for the year ended December 31, 2015, Rocket Internet SE reported unappropriated retained earnings of negative €73.4 million as of December 31, 2015 and €0.0 million as of December 31, 2014.

The following table shows the total dividends paid to shareholders of Rocket Internet SE in the years ended December 31, 2013, December 31, 2014 and December 31, 2015:

	Year ended December 31,		
	2013	**2014**	**2015**
	(audited, unless stated otherwise) **(in € million, unless stated otherwise)**		
Dividend pay-out to shareholders of Rocket Internet SE (German GAAP)	80.6	291.2	–
thereof cash dividends (payments to shareholders of Rocket Internet SE) (unaudited)	*80.6*(1)	*286.8*	–
thereof non-cash dividends (distribution of non-cash assets to shareholders of Rocket Internet SE) (unaudited)	–	*4.4*(2)	–

(1) The cash dividend served the primary purposes of passing on profits from the sale of shares in Zalando.

(2) Book value of the distributed shares in Bigfoot GmbH and BGN Brillant Services GmbH. On May 30, 2014, the then existing shareholders of Rocket Internet SE resolved on granting certain shareholders of Rocket Internet SE a dividend in kind and, consequently, Rocket Internet SE transferred by way of a separate share transfer agreement 4,145 and 1,892 shares in Bigfoot GmbH to Emesco AB and AI European Holdings S.à r.l., respectively, as well as 4,559 and 2,082 shares in BGN Brillant Services GmbH to Emesco AB and AI European Holdings S.à r.l., respectively. Exercising the available accounting option in accordance with German GAAP the dividend in kind was accounted for under the book value method. Under IFRS the Group recognized a gain from distribution of non-cash assets to owners of €60.6 million. The fair value of the distributed shares amounted to €153.2 million.

According to Rocket Internet SE's unconsolidated annual financial statements as of and for the year ended December 31, 2015, Rocket Internet SE's net loss for the year increased from a loss of €45.9 million in 2014 by 59.9% to a loss of €73.4 million for the year ended December 31, 2015.

Rocket Internet SE's equity increased from €2,256.1 million as of December 31, 2014 by 26.6% to €2,857.1 million as of December 31, 2015, mainly due to an increase of capital reserves.

The total assets recorded on Rocket Internet SE's balance sheet increased from €2,313.7 million as of December 31, 2014 to €3,456.1 million as of December 31, 2015, an increase of 49.4%.

For further information on Rocket Internet SE's unconsolidated annual financial statements as of and for the year ended December 31, 2015, see the notes to its unconsolidated annual financial statements, which are set forth on pages F-227 *et seq.* of this prospectus.

7. BUSINESS

7.1 Overview

We build and invest in internet companies that take proven online business models to new, underserved or untapped markets, where we seek to grow and scale the new companies. Our flexible and scalable operating platform uses standardized processes for business model identification and provides standardized solutions for a range of internet business models. We currently focus on five industry sectors that address basic consumer needs: Food & Groceries, Fashion, General Merchandise, Home & Living and Travel. We seek to reduce our risk by relying on already proven business models and bringing in external financing as we position our new companies for growth. Besides founding new companies ourselves, we invest in existing companies by either participating in a financing round or purchasing stakes through secondary transactions. These investments are geared toward long-term commitments, where we seek to create value in the long-term by developing the business. We implement our business strategy through our close involvement in the day-to-day management of many network companies and our hands-on participation in their operational development. We strive to provide these network companies with guidance to develop their operations and we seek to accelerate their operational development by giving them access to our technology platform and by sharing our proprietary knowledge with them.

We seek to exploit network effects and synergies across our platform and network of companies. With network companies already present in many of our target markets, we tend to benefit from local experience and lower marginal costs for building additional companies. We have established local ecosystems, *i.e.*, internet know-how and local operations and logistics know-how, particularly in the fields of marketing, warehousing, content production, sales, last-mile-delivery, payment and customer care, that can be utilized by the companies in the Rocket Internet network. Furthermore, our local professionals support the scaling of the network companies and help to identify new opportunities. In addition, we have partnerships with regional and global companies that give us access to their existing infrastructure, relationships and skills.

We have developed proprietary technology that provides the companies in the Rocket Internet network with standardized solutions for a range of internet business models. Our modular framework is built to serve the needs of our businesses as it can be adapted to the specific requirements of individual companies and different markets. While stand-alone companies have to develop their technology from scratch, the companies in the Rocket Internet network have access to a flexible and field tested framework, which allows our entrepreneurs to focus on their core business models.

As part of our global strategy, we have created Regional Internet Groups in Africa, Middle East and Asia Pacific in order to bundle local market expertise, facilitate regional commercial partnerships, enable local presence, sourcing and recruiting, and support the rollout of businesses in the respective regions. Strategic and investment partnerships, in particular with mobile telecommunication providers, accelerate the regional rollout of our businesses. Our partners such as MTN, Ooredoo, Millicom, Orange and AXA are co-investors in our Regional Internet Groups and provide them with strategic support and opportunities to realize synergies.

Rocket Internet SE typically owns a direct or indirect stake of 80% to 90% in the companies within the Rocket Internet network at the time of launch, with the remainder being set aside for management equity participation programs. The companies in the Rocket Internet network typically have negative operating cash flows and require substantial funding to grow their business. We seek to attract external equity financing for the companies in the Rocket Internet network from our local strategic partners and other strategic and financial investors. These investments are either made directly into the company or indirectly into a Regional Internet Group acting as intermediate holding company. Historically, this meant that the direct and indirect stake of Rocket Internet SE in a company decreased over time to less than 50% as the company grew and matured. Accordingly, Rocket Internet SE does not directly or indirectly control most of the companies in the Rocket Internet network. We will often have a low ranking claim in the distribution of proceeds from an exit due to liquidation preferences of other investors or other preferred return arrangements, which means that in some cases we may not receive any proceeds from an exit at all. In January 2016, RICP was launched. RICP can invest into companies launched by us and companies started by third parties.

The revenue of the network companies that Rocket Internet SE does not directly or indirectly control are not reflected in Rocket Internet SE's consolidated statement of comprehensive income. The Group's revenue was €128.3 million in 2015, its loss for the period was €197.8 million in 2015 and its total assets were €4,996.0 million as of December 31, 2015. For more information, see "*6.4 Results of Operations*". The loss for the period includes the Group's share of the loss of associates and joint ventures of €188.6 million in 2015. The total aggregate loss of our material associates and loss from continuing operations of our material joint ventures was €1.4 billion in 2015 (see "*6.4.7.2. Comparison of the Years Ended December 31, 2015 and December 31, 2014*").

In the six months ended June 30, 2016, the Group's revenue was €28.6 million. The Group's loss for the period deteriorated sharply from a loss of €43.9 million in the six months ended June 30, 2015 to a loss of €617.3 million in the six months ended June 30, 2016, mainly due to an impairment-driven decrease in the share of profit/loss of associates and joint ventures, a decrease in the financial result and a decrease in revenue. The decrease in the share of profit/loss of associates and joint ventures was primarily related to Global Fashion Group, where a financing round that took place at a lower valuation than the preceding financing round resulted in significant impairments. It cannot be excluded that other financing rounds at lower valuations will result in further significant impairments and losses. The Group's total assets were €4,307.3 million as of June 30, 2016.

7.2 Origins

Rocket Internet SE's co-founder and CEO, Oliver Samwer, has a proven track record as an internet entrepreneur. In 1999, Oliver Samwer, together with his two brothers, Marc and Alexander Samwer, and three other founders, co-founded Alando, which became the leading internet auction marketplace in Germany. Within 129 days from the start of operations, Alando was sold to eBay in an all-share deal valued at over USD 43 million at the time of the transaction.

Rocket Internet SE was founded in 2007 as a subsidiary of European Founders Fund GmbH & Co. Beteiligungs KG Nr. 1 (later renamed Global Founders Capital GmbH & Co. Beteiligungs KG Nr. 1), which sold Rocket Internet SE to the European Founder Fund GmbH (now Global Founders GmbH) in 2009. Since then, we have evolved into a global network of companies that conducts business in a large number of countries around the globe.

One important driver of our growth has been the launch of various e-commerce companies. Our first major e-commerce company was Zalando, which engages in online fashion retail. In a series of transactions, we spun off nearly our entire stake in Zalando in 2013. Accordingly, Zalando is no longer part of the Rocket Internet network of companies. For more information, see "*14.2 Zalando Spin-Off*".

In October 2014, Rocket Internet SE completed its IPO. In connection with the IPO, a total of 33 million new shares were issued, raising gross proceeds for Rocket Internet SE of €1.4 billion. In 2015, we successfully implemented several measures to raise additional capital. In February 2015, Rocket Internet SE issued 12 million ordinary bearer shares, realizing gross proceeds of €588.5 million. In July 2015, Rocket Internet SE issued a convertible bond with the aggregate principal amount of €550.0 million, of which the Group repurchased convertible bonds with an aggregate principal amount of €83.7 million in the six months ended June 30, 2016.

Furthermore, in 2015 and in the first half of 2016, we significantly expanded the Rocket Internet network of companies with the investment in Delivery Hero (a large online food delivery network), acquiring in a series of transactions a 37.3% stake, launched a number of new businesses, selectively increased our stake in our focus sector companies and achieved majority positions at HelloFresh (an active player in the fresh-food-at-home market with operations in developed markets) and foodpanda (an online food delivery platform in emerging markets). A number of our businesses, including HelloFresh, foodpanda, Global Fashion Group (an online fashion group operating in several emerging markets) and Africa Internet Group, also attracted significant funds from existing and new investors.

In April 2016, Rocket Internet SE agreed to sell a 9.1% stake (on a fully diluted basis) in Lazada for a cash consideration of USD 137 million to Alibaba. For further information, see "*8.2 Recent Transactions and Financing Rounds*".

In July 2016, Global Fashion Group entered into a definitive agreement for the sale of Jabong for a consideration of USD 70 million in cash. The transaction closed on August 2, 2016. For further information, see "*8.2 Recent Transactions and Financing Rounds*".

7.3 Our Focus Industry Sectors

We currently focus our company building efforts on five industry sectors: Food & Groceries, Fashion, General Merchandise, Home & Living and Travel.

- One of the Food & Groceries companies in the Rocket Internet network, HelloFresh offers fresh food at home based on a soft subscription model. Delivery Hero and foodpanda operate marketplaces for online food delivery and reach users in five continents.

- The Global Fashion Group offers apparel from a wide variety of renowned brands and private label products. It operates based on an e-commerce model in 26 countries. In some of these countries, Global Fashion Group established and operates its own distribution networks.

- The General Merchandise company in the Rocket Internet network, Jumia, offers a broad assortment of consumer products, including consumer electronics, fashion, home and living, sporting goods, media and health and beauty products.

- In the Home & Living sector, the Rocket Internet network includes two companies, Westwing and Home24. Westwing focuses on a curated selection of home and living products, while Home24 provides a deep and broad assortment.

- Traveloka, the network company in the Travel sector offers a flight search engine and a hotel booking service in South-East Asia.

7.4 Our Business Model

Rocket Internet builds and invests in internet companies that take proven online business models to new markets. We have developed a platform to support the Rocket Internet network of companies. Our operational experience and our access to international expertise and funding enable us to identify, build and scale proven online and mobile business models globally.

Identify. As a first step, we seek to identify proven internet business models and potential target markets. After a potential business model and target markets have been identified, we evaluate the model based on its suitability for each region and decide whether development of a company executing the model should be launched. Besides launching new companies ourselves, we invest in companies that were founded by third parties and have already started operations. These investments are typically geared towards a long-term commitment. We strive to provide these companies with our proprietary knowledge and seek to support their operational development. For example, we made a significant investment into Delivery Hero in 2015.

Build. We support the companies in the Rocket Internet network, employing a standardized process, which allows the companies in the Rocket Internet network to take advantage of network effects and synergies across our platform and network of companies, including learning curve effects. Our company building process is based on the best practices that we have developed in the course of building and launching our current network of companies and the commonalities that we have identified across the business models on which we have built companies to date. Our development process is driven by a standardized division between localized and centralized processes. Local teams focus on on-the-ground implementation, while certain basic functions are performed centrally, such as set-up of the IT infrastructure and marketing support.

Rollout and Scale. Once a new company has been launched, we focus on rolling out the business model to markets. Within each market, we seek to scale and grow the network companies. Our growth culture abides by the key principle of "measuring and optimizing", positioning us to participate in the development and operations of the network companies. We identify leaders and best practices by using granular data and benchmarking the network companies in areas like customer acquisition and CRM. We foster friendly internal competition by sharing performance data amongst the network companies and conduct market leadership reviews, so that all companies across our network can benefit from the insights we gain. We have a disciplined process for shutting down companies that have not met expectations.

7.5 Strategy

We have developed our strategy based on five major trends that we believe drive growth in our key emerging markets:

- Internet penetration in emerging markets is low but growing quickly, which means demand for online and mobile services that meet basic needs is expected to increase in these markets.
- The smartphone revolution is giving ever more people internet access, presenting an opportunity for online retailers to exploit new demand around the world.
- The population in many of our markets is younger than that in the United States, which increases the scope for online business models outside the US.
- The middle class in many emerging market economies is expected to grow strongly, which we expect to increase discretionary consumer spending.
- Classic "bricks-and-mortar" retailing in many of our target markets is underdeveloped, which is expected to allow online retailers to capture more consumers.

Our network companies are essential to carry out our long term strategy. The key elements of our current strategy include:

Build Leading Companies in Focus Industry Sectors Through Selective Investments and Organic Growth. We are currently targeting five industry sectors: Food & Groceries, Fashion, General Merchandise, Home & Living, and Travel. These industry sectors make up a significant share of consumer spending, and through a multitude of different business models targeting them, we seek to maximize our share of the consumer's online and mobile retail and services wallet. One of our major focus areas is the Food & Groceries sector, which we view as one of the next growth areas of e commerce. We are expanding our position within the sector through selective investments. Following Rocket Internet SE's initial public offering, the Group increased its stakes in HelloFresh to 55.6% and in foodpanda to 49.1% and acquired a 37.3% stake in Delivery Hero. In addition, Rocket Internet SE further invested in the Fashion, Home & Living and General Merchandise sectors by investing in the Global Fashion Group, Westwing and Africa Internet Group in 2016.

Pursue Sustainable Market Positions. We aim to achieve sustainable market positions in the markets and sectors we enter. In order to gain a strong market position and in pursuit of our goal of long-term value creation, we invest in the product portfolio, technology, infrastructure and logistics capabilities in the early stages of a business model despite their losses.

Maintain a Strong Financial Position and Access to Funding to Support Our Network Companies' Operational Strategies. Rocket Internet provides companies with the financial means to start up, develop and grow their operations. As capital is a key component in growing companies, we aim to maintain a strong financial position as well as access to funding. We typically fund the network companies through a mix of our own and third-party capital. To bolster our financial position, we have successfully undertaken several measures and raised additional capital. In October 2014, Rocket Internet SE completed its initial public offering, raising gross proceeds for Rocket Internet SE of €1.4 billion. In February 2015, Rocket Internet SE issued 12 million ordinary bearer shares, realizing gross proceeds of €588.5 million. In July 2015, Rocket Internet SE issued a convertible bond with an aggregate principal amount of €550.0 million, of which the Group repurchased convertible bonds with an aggregate principal amount of €83.7 million in the six months ended June 30, 2016. In addition, in January 2016, RICP was set up. RICP raises capital from investors globally and co-invests alongside us, enabling the network companies to significantly enhance their speed of fundraising. RICP's and our interests are aligned, as RICP, pursuant to the partnership agreement, co-invests with us according to a set co-investment ratio (80% RICP : 20% Rocket Internet) and as Rocket Internet SE made investments into RICP by agreeing to subscribe for 10% of the total commitments received by RICP from time to time. We participate in the economic development of RICP through investment return on our commitments and a share in RICP's net profit.

7.6 The Group's Platform

The Group has built a large and geographically diverse platform. Our websites allow us to conduct business in a large number of countries around the globe.

We believe that Rocket Internet SE has developed one of the first platforms to systematize the process of identifying, building and scaling internet companies around the world. We seek to identify commonalities within different business models and leverage these via a platform approach to optimize the building and scaling process. Our platform rests on three pillars:

- infrastructure;
- technology; and
- network.

7.6.1 Infrastructure

The first pillar of Rocket Internet SE's platform is our infrastructure. Our infrastructure positions us to achieve economies of scale and scope for the network companies, and to realize synergies that help to improve the performance of the network companies.

We believe that our geographic reach provides us with competitive advantages and helps create barriers to entry for potential competitors in our target markets. The presence of network companies and people in our target markets lead to lower marginal costs for building additional companies due to a local learning curve and positive network effects. Our local professionals enhance our ability to scale the network companies and to identify opportunities. In the process of doing so, we have accumulated significant internet know-how and substantial local operations and logistics know-how, which can be adapted to meet the demands of a variety of business models, particularly in the fields of marketing, warehousing, content production, sales, last-mile delivery, payment and customer care.

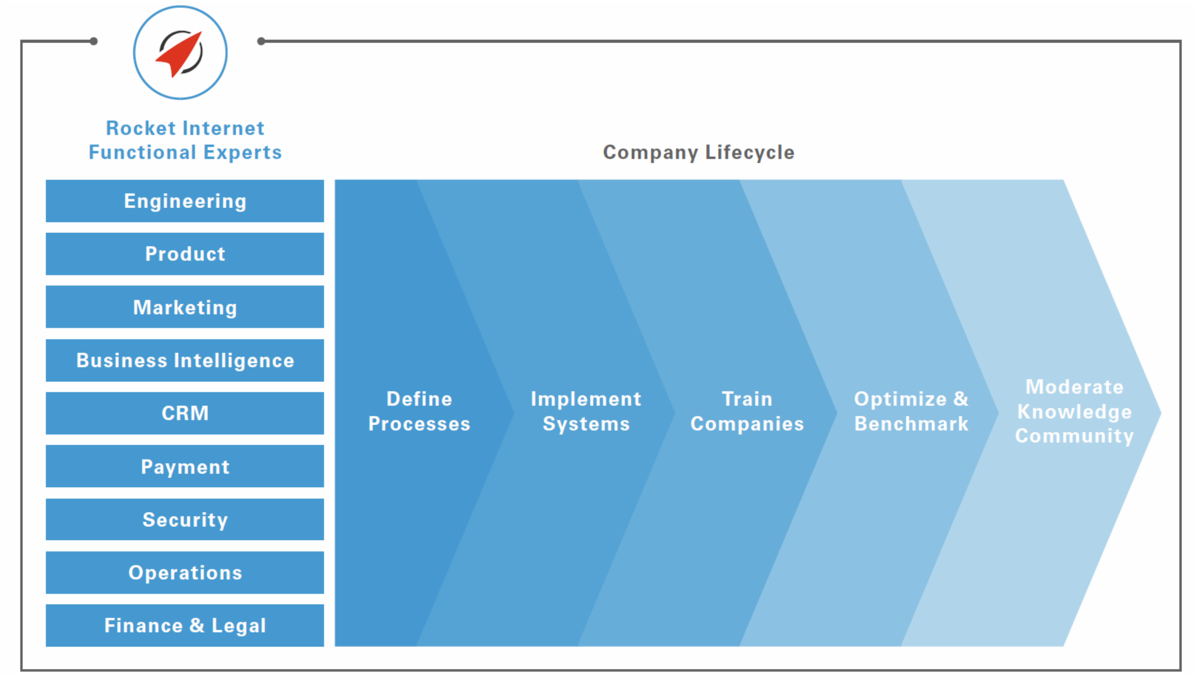
Our size and geographical footprint allows us to have on-site teams from the start of our operations, providing us with a better understanding of the unique opportunities and challenges of our local markets. In addition, partnerships with regional and global leaders have given valuable support to the network companies by allowing us to leverage their existing capabilities and establishing a local ecosystem that can be utilized by all network companies.

Our infrastructure is built upon four components that enable us to create online companies and simultaneously expand them to a number of countries and regions:

- our entrepreneurs,
- our functional expertise,
- our regional expertise, and
- our strategic partners.

Entrepreneurs. Each network company is run by an independent leadership team, which we refer to as entrepreneurs, co-founders or managing directors. They typically have entrepreneurial general management profiles with strong analytical skills and diverse backgrounds (*e.g.*, management consulting, investment banking, leading internet and technology companies and media and consumer goods companies) and many of them have graduated from leading business schools. Long-term incentives for our entrepreneurs are often provided through shares or stock options in the companies they manage.

Functional Expertise. Our team of functional experts supports the network companies along their life-cycle in key areas such as engineering, product design, online marketing and CRM as well as mobile applications. This support enables the network companies to develop a presence in a shorter period of time. Companies then build out their respective internal teams and internalize these functions to be able to operate independently of Rocket Internet SE in their day-to-day operations. Network companies often continue to turn to Rocket Internet SE for project-related support. We give the network companies access to our expertise and manpower, positioning our network companies to keep their permanent headcount low. In addition, our functional experts are monitoring key performance indicators and are fostering best-practice management and knowledge sharing across the Rocket Internet network of companies. The following graphic shows the key areas in which our team of functional experts provide the network companies with support:



Source: Information of Rocket Internet SE.

Regional Expertise. The Rocket Internet network of companies is active in many countries. In order to foster synergies and back the network companies, our regional experts coordinate our activities across our main target regions (Europe, Asia Pacific, Russia & CIS, Africa, Middle East and Latin America) and support the companies through the local ecosystem. These regional experts centralize knowledge across local markets and business models, facilitate regional strategic and commercial partnership and support local recruiting and sourcing to accelerate the regional rollout of our businesses.

Strategic partners. As a fourth and last pillar of our global infrastructure, we have established relationships with strategic partners, including telecommunications and internet providers (*e.g.*, United Internet, MTN, Ooredoo and Millicom), industry partners (*e.g.*, AXA, Tesco and Tengelmann) and financial investors (*e.g.*, Kinnevik, Access Industries and Holtzbrinck). These partners provide the Rocket Internet network of companies with financial, operational and strategic support. For example, our partnerships with telecommunications providers position us to benefit from their mobile subscriber base, billing relationships, their physical distribution network, text message marketing competence, local CRM infrastructure and pre-installation of our mobile applications on handsets. We have also entered into framework agreements with leading global technology companies such as Google, Facebook and Salesforce to complement our technology platform and provide the Rocket Internet network of companies with access to standardized technology, online advertising and other services on the basis of framework agreements.

7.6.2 Technology

Our proprietary technology platform provides the Rocket Internet network of companies with standardized solutions for a range of internet business models. Our technology strategy is focused on six key concepts:

- We build proprietary technology where we believe it may provide us with a competitive advantage.

- We allow our network companies to further develop our proprietary technology to tailor it to their needs.

- Our architecture is modular and device independent.
- We use commodity platforms and tools when available.
- We unlock the power of crowdsourcing and that of research and development.
- We focus on the 5S: speed, stability, security, scalability and standardization.

While stand-alone start-ups have to develop their technology from scratch, we provide the companies in the Rocket Internet network with an advanced and field-tested framework. Access to our proprietary technology platform enables our entrepreneurs to focus on the core business matters of their companies and on scaling their operations. Our technology framework consists of three complementary layers: SkyRocket, a core application framework we use to build companies; Rocket Cloud Services, industry-specific solutions we provide to the network companies; and technology tailor-made to meet the specific demands of the individual business model.

7.6.2.1 SkyRocket

SkyRocket is our mobile-first application framework that enables us to launch companies in an expedited manner, independent of the business model. It allows us to implement ideas from the Rocket Internet network of companies and enables us to expediently assemble and maintain a robust and scalable operational infrastructure based on compatible plug-and-play modules. SkyRocket provides a blueprint for key technology components of a growing online company, covering all steps in the customer journey, from customer acquisition to retention. Sky Rocket includes technologies for mobile and stationary devices. Its standardization provides for cost savings and efficient sharing of technological improvements across business models and companies.

SkyRocket positions our network companies to reach customers on their mobile devices. Especially in emerging markets, due to the lack of established fixed line telecommunications infrastructure, far more people access the internet by smartphone than by computers. The share of mobile traffic is also increasing in Western Europe.

7.6.2.2 Rocket Cloud Services

We have developed a set of cloud services that support the network companies in implementing their individual business models. We develop and provide these solutions centrally to the companies in the Rocket Internet network so that they can focus on their businesses. Examples of these services include:

SellerCenter is a cloud service that provides a direct merchant integration platform tailored to the requirements of our marketplace companies, allowing third-party vendors to list and manage their product offering on the platform. SellerCenter includes systems to manage products, orders and logistics, business intelligence tools, mobile apps and APIs to seamlessly integrate with the internal systems of partner vendors. 16 of the companies in the Rocket Internet network are currently using SellerCenter. The monitoring and reporting tool enables us to monitor operations of connected companies in real time and report and address problems that may arise instantly.

Rocket Advertising Service ("**RAS**") provides marketing automation services for customer acquisition and retention. For example, it collects user location, device, or even weather information to build consumer profiles in real time. These profiles help us adjust marketing measures and attract new customers to the network companies' websites and apps. An automated campaign builder helps our network companies to advertise their brands, product categories and specific inventory based on real-time product availability, and to manage and improve campaigns in real time.

DataJet empowers the companies in the Rocket Internet network to fully control and leverage their user data. Vast amounts of real-time data can be used to optimize the user experience in native mobile apps and websites, which may produce better search results and enable dynamic merchandising and tailored product recommendations. Therefore, the companies in the Rocket Internet network can use DataJet to identify consumer interests and create deeper customer relations.

7.6.2.3 Custom Development

Levering the toolsets provided by SkyRocket and Rocket Cloud Services, our in-house product development team of engineers and product managers builds custom technology for each of the network companies. Full vertical integration and standardized development processes enable us to launch companies quickly. In addition, our internal development team enables us to support the companies in the Rocket Internet network along their life-cycle with custom technology solutions. To foster knowledge sharing across all levels, our technology team regularly hosts technology workshops and conferences, such as the Rocket Tech Summit.

7.6.3 Rocket Network of Companies

We have built a large and geographically diverse network of companies. The network companies conduct business in a large number of countries around the globe. The size of the Rocket Internet network of companies and their different stages of development provide the companies in the Rocket Internet network with opportunities to benefit from synergies and network effects.

Sourcing. We believe that we have significant purchasing volume and negotiating power due to the size of the Rocket Internet network. For example, we have negotiated global framework agreements with our key technology and advertising partners. As of the date of this prospectus, we have framework agreements with Google (advertising solutions), Facebook (advertising solutions), Salesforce (CRM Solutions) and other partners. These framework agreements standardize the terms and service levels for the companies in the Rocket Internet network that have entered into agreements with these partners. In addition, these framework agreements often grant preferred access to customer account managers, allowing in particular our younger companies to get more direct access to our partners than what would be typical for companies of their size and age.

Knowledge Sharing. We have a strong culture of knowledge transfer that takes place on a regional, functional and business concept level. Often management teams reach out directly to other companies' management teams based on the peer comparisons they regularly receive from our headquarters. In addition, we foster knowledge sharing across our network companies and internationally through global workshops and global conference calls on specific topics. With respect to our technology platform, improvements made locally by one of the network companies to our technology are often fed back and integrated into our centralized platform, leading to a constant user-driven improvement of our technology.

Cross-Marketing. The scope of the Rocket Internet network allows the network companies to benefit from significant cross-marketing opportunities. For example, we frequently cross-market the offerings of the network companies in the same region by linking their websites to each other and encouraging customers to take advantage of their different services. In addition, the network companies leverage offline cross-marketing opportunities, for example, by placing printed advertising materials in shipments ordered from another company in the same geographic area. The companies in the Rocket Internet network can also profit from common marketing e-mails.

Talent Attraction. The larger the Rocket Internet network of companies grows, the more opportunities we see to attract top talent. This development is driven by our global reach and brands, our entrepreneurial decision making process, our strong reputation, a variety of challenges inside our organization, attractive advancement options and our team spirit. Our size and scale position us to attract talent that a standalone start-up would typically not be able to attract. We also have a significant internal labor market, providing our employees with various options to utilize their skills and knowledge over the course of their career.

Further Areas. The Rocket Internet network positions the network companies to cooperate in a large number of other areas, such as warehousing, last-mile logistics and joint software development.

7.7 The Network Companies

7.7.1 Overview

We have built a large and geographically diverse network of companies, active in a large number of countries around the globe. We focus our company building efforts on five industry sectors: Food & Groceries, Fashion, General Merchandise, Home & Living, and Travel.

We have also created Regional Internet Groups in order to combine the knowledge of local markets with the business model expertise and 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.

Finally, in addition to the companies in the five industry sectors, Rocket Internet SE owns stakes in companies at varying maturity stages, ranging from new business models to more mature companies. We group them under New Businesses & Investments category.

The following chart shows a selection of the most important consumer brands used by Rocket Internet SE’s network of companies:

As we seek to attract external equity financing for the companies in the Rocket Internet network, the direct and indirect stakes of Rocket Internet SE in a network company typically decrease over time. As a result, Rocket Internet SE neither directly nor indirectly controls any of the network companies presented in “*7.7.2 Focus Industry Sectors*”.

In our consolidated financial statements, the reportable segments correspond to our five focus industry sectors, except that Delivery Hero is not considered as an operating segment, the other two companies in the Food & Groceries industry are reported as separate segments and the Travel industry sector company Traveloka is not represented by a separate reportable segment, but included in segment Other. While we do not have control over the Selected Portfolio Companies included in our reportable segments, their respective operating results are displayed in the segment reporting as though such entities were wholly owned subsidiaries of the Group (*i.e.*, 100% of the revenue, expenses and segment results as well as cash and cash equivalents are presented). In order to arrive at the Group's consolidated revenue, EBITDA and cash and cash equivalents, the "reconciliation" column of the segment reporting reflects, besides consolidation adjustments for inter-segment business relations, adjustments between aggregated segment revenue, EBITDA and cash and cash equivalents and consolidated revenue, EBITDA and cash and cash equivalents. In accordance with IFRS 8, segment information is used by the chief operating decision maker of Rocket Internet SE for performance analysis of network companies and for the allocation of resources. Such segment information is based on internal management data and, therefore, may deviate from other publications for the respective network companies' results.

The following table presents segment information for the five reportable segments for the dates and periods indicated. Segment information as of and for the year ended December 31, 2014 was taken from the adjusted comparative information in the segment reporting as presented in Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2015. In addition to combining the reportable segments E-Commerce Fashion 1 and E-Commerce Fashion 2 to the single reportable segment Fashion, the comparative information as of and for the year ended December 31, 2014 of the segment Other and the reconciliation column were retrospectively adjusted for network entities that were either sold, ceased operations or that became reportable during 2015 in the segment reporting presented in Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015. Segment information as of and for the year ended December 31, 2013 was taken or derived from the unadjusted comparative information in the segment reporting as presented in Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2014:

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited, unless stated otherwise)			(unaudited)	
	(in € million)			(in € million)	
Revenue	**99.8**	**128.2**	**128.3**	**71.3**	**28.6**
Home & Living(1)	203.2	343.5	452.8	226.4	241.4
Fashion(2)	386.1(3)	627.5	930.1	418.3	455.8
General Merchandise(4)	132.9	243.1	449.9	221.4	122.7
Food 1(5)	14.2	69.6	305.0	112.5	291.5
Food 2(6)	0.7	6.7	31.5	13.4	21.7
Other	126.3	130.0	201.0	89.0	87.8
Reconciliation(7)	(763.6)	(1,292.2)	(2,242.0)	(1,009.7)	(1,192.2)
EBITDA	**1,317.8**	**424.4**	**(200.8)**	**(85.0)**	**(461.4)**
Home & Living(1)	(84.3)	(114.9)	(131.7)	(75.0)	(37.6)
Fashion(2)	(224.1)(3)	(250.3)	(318.6)	(160.9)	(82.3)
General Merchandise(4)	(117.4)	(227.8)	(475.9)	(213.3)	(132.0)
Food 1(5)	(6.5)	(15.1)	(109.5)	(22.3)	(49.2)
Food 2(6)	(13.3)	(38.5)	(108.7)	(49.6)	(34.6)
Other	1,294.1	(89.4)	(229.5)	(75.4)	30.6
Reconciliation(7)	469.3	1,160.6	1,173.0	511.5	(156.3)

	As of and for the year ended December 31,			As of and for the six months ended June 30,	
	2013	2014	2015	2015	2016
	(audited, unless stated otherwise)			(unaudited)	
	(in € million)			(in € million)	
Cash and cash equivalents	**413.9**	**2,053.4**	**1,758.9**	**1,390.2**	**1,682.5**
Home & Living[(1)]	63.7	50.4	64.6	136.6	48.3
Fashion[(2)]	310.0[(3)]	153.4	75.2	75.7	120.2
General Merchandise[(4)]	214.9	242.4	111.0	240.7	111.9
Food 1[(5)]	3.8	19.8	109.2	118.1	132.6
Food 2[(6)]	8.7	44.5	97.9	153.3	72.1
Other	427.1	2,114.6	1,901.5	1,474.0	1,033.5
Reconciliation[(7)]	(614.4)	(571.7)	(600.5)	(808.1)	163.9

(1) Shown as E-Commerce Home & Living in the consolidated financial statements as of and for the year ended December 31, 2014.
(2) Shown as E-Commerce Fashion 1 and E-Commerce Fashion 2 (together E-Commerce Fashion) in the consolidated financial statements as of and for the year ended December 31, 2014. In the consolidated financial statements as of and for the year ended December 31, 2015, the reportable segments E-Commerce Fashion 1 and E-Commerce Fashion 2 were combined into the single reportable segment Fashion.
(3) Unaudited.
(4) Shown as E-Commerce General Merchandise in the consolidated financial statements as of and for the year ended December 31, 2014.
(5) Shown as E-Commerce Food in the consolidated financial statements as of and for the year ended December 31, 2014.
(6) Shown as Marketplace in the consolidated financial statements as of and for the year ended December 31, 2014.
(7) For the year ended December 31 2015, reconciliation includes the elimination of revenue of €2,272.2 million and EBITDA adjustments of €1,304.5 million from non-consolidated network companies as well as effects from consolidation. For the year ended December 31, 2014, reconciliation includes the elimination of revenue of €1,332.3 million and EBITDA adjustments of €713.2 million from non-consolidated network companies as well as effects from consolidation. For the year ended December 31, 2013, reconciliation includes the elimination of revenue of €763.6 million and €1,232.9 million operating expenses from non-consolidated network companies as well as effects from consolidation. For the six months ended June 30, 2016, reconciliation includes the elimination of €1,202.3 million revenues and EBITDA adjustments of €409.7 million from non-consolidated network companies as well as effects from consolidation. For the six months ended June 30, 2015, reconciliation includes the elimination of €1,022.7 million revenues and EBITDA adjustments of €583.1 million from non-consolidated network companies as well as effects from consolidation.

Rocket Internet SE's consolidated statement of comprehensive income for the year ended December 31, 2015 shows a loss for the period of €197.8 million. This includes the Group's share of loss of associates and joint ventures of €188.6 million in 2015. The total aggregate loss of our material associates and loss from continuing operations of our material joint ventures was €1.4 billion in 2015 (see "*6.4.7.2. Comparison of the Years Ended December 31, 2015 and December 31, 2014*").

7.7.2 Focus Industry Sectors

7.7.2.1 Food & Groceries

Food & Groceries account for a significant part of consumer spending. We view this sector as particularly attractive, given the high frequency and repurchase characteristics. We have focused on two models in this sector, where we seek to build and maintain attractive market positions. HelloFresh has been able to establish an international presence in the personalized fresh-food-at-home market. In 2015, HelloFresh entered into a strategic partnership with one of the preeminent chefs, Jamie Oliver. HelloFresh forms our reportable segment Food 1. The second model, in which we have invested significantly in 2015, is marketplaces for online food takeaway. Rocket Internet SE owns 37.3% of Delivery Hero, a food network with a presence in 33 markets, focusing mainly on continental Europe, Turkey and the Middle East. In addition, we increased our ownership in foodpanda, an online food delivery platform in emerging markets. foodpanda operates in 24 countries in Eastern Europe, the Middle East, Southeast Asia and Africa. foodpanda forms our reportable segment Food 2. Total revenue of the Food 1 and Food 2 segments increased from €76.3 million in 2014 to €336.5 million in 2015.

HelloFresh launched its operations in the first quarter of 2012. It delivers fresh, pre-portioned ingredients that enable its subscribers to prepare healthy and delicious home-cooked meals each week using HelloFresh's recipes. HelloFresh currently operates in Australia, Austria, Belgium, Canada, Germany, the Netherlands, Switzerland, the United Kingdom and the United States. HelloFresh is a leading online provider of personalized fresh food at home, having grown its revenue in 2015 to €305.0 million. Since Rocket Internet's IPO, the Group has increased its stake in HelloFresh from 37.1% to 55.6%. Due to restrictions in HelloFresh's shareholders' agreement, the Group does not control HelloFresh. Instead, the Group only has significant influence over HelloFresh. Accordingly, HelloFresh is accounted for using the at equity method.

Every week, HelloFresh's local nutritionists create diverse and healthy menus, tailored to match each market's seasonality and customers' preferences. The high-quality ingredients are selectively purchased from local suppliers and finest purveyors. All ingredients are pre-portioned to match the corresponding recipes, avoiding waste and making cooking as convenient as possible. The meals are delivered using insulated packaging, allowing for a very high level of freshness. HelloFresh operates a flexible subscription model that allows customers to pause and cancel orders according to their needs until a few days before the delivery date. This period allows HelloFresh to confirm orders with its suppliers and to operate on a just-in-time business model with close-to-zero inventory and low fulfillment costs per order.

HelloFresh's quick and healthy recipes, as well as its ongoing quality check of ingredients and one-day guaranteed delivery with insulated packaging or via refrigerated vehicles for extra freshness, have created a valuable subscriber base. The goal of HelloFresh is that the weekly deliveries become part of its customers' lifestyle. HelloFresh's target customers are families and couples.

HelloFresh's business is technology driven, utilizing the weekly subscriber data. HelloFresh's technology platform supports all departments within the company with a suite of software tools built for HelloFresh, covering recipe creation, procurement, production, delivery and marketing. In January 2016, HelloFresh launched its strategic partnership with Jamie Oliver, which we believe further endorses HelloFresh as a leading international brand.

The following table shows HelloFresh's revenue, EBITDA and cash and cash equivalents for the periods and as of the dates indicated. The financial information has been taken from the segment information for the Food 1 segment prepared in accordance with IFRS 8 as presented in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		**Six months ended June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) (audited)		**(in € million) (unaudited)**	
Revenue	69.6	305.0	112.5	291.5
EBITDA	(15.1)	(109.5)	(22.3)	(49.2)

	As of December 31,		As of June 30,	
	2014	2015	2015	2016
	(in € million) (audited)		(in € million) (unaudited)	
Cash and cash equivalents	19.8	109.2	118.1	132.6

The following table shows HelloFresh's profit or loss for the periods indicated. The financial information has been taken from the summarized financial information or selected key financial indicators of the Group's material associates and material joint ventures, which are prepared on the basis of IFRS and are adjusted by Rocket Internet SE for equity accounting purposes, as presented in accordance with IFRS 12 in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		Six months ended June 30,	
	2014	2015	2015	2016
	(in € million) (audited)		(in € million) (unaudited)	
Profit or loss	(15.2)	(121.5)	(23.3)	(57.2)

In the six months ended June 30, 2016, revenue of HelloFresh improved significantly from €112.5 million in the six months ended June 30, 2015 to €291.5 million in the six months ended June 30, 2016, driven by continued growth across all geographies. Particularly strong contributions came from HelloFresh's operations in the United States and the United Kingdom. Due to infrastructure investments, HelloFresh's loss further increased from €23.3 million in the six months ended June 30, 2015 to €57.2 million in the six months ended June 30, 2016.

HelloFresh's revenue increased from €69.6 million in 2014 to €305.0 million in 2015 driven by the continued strong increase of active subscribers. During the same period, HelloFresh's loss increased significantly from €15.2 million in 2014 to €121.5 million in 2015 mainly due to significant logistics and marketing investments.

Delivery Hero launched its operations in May 2011 and has since become one of the leading online food networks, processing food orders of customers in more than 33 countries across five continents. In addition to the Delivery Hero brand, the company also serves its customers through several distinct brands, specifically Lieferheld and Pizza.de in Germany, Yemek Sepeti in Turkey, Talabat in the Middle East, PedidosYa and ClickDelivery in Latin America, hungryhouse in the United Kingdom, Mjam in Austria, DameJidlo in the Czech Republic, PizzaPortal in Poland, OnlinePizza in Sweden, Pizza-online in Finland, hungry.dk in Denmark, Yogiyo and Baedaltong in Korea and Foodarena in Switzerland.

In 2015, the Group made several cash investments in the aggregate amount of €767.9 million in Delivery Hero. In addition, the Group contributed its shares in Yemek Sepeti A.S. (an online food takeaway marketplace in Turkey) to Delivery Hero in exchange for shares in Delivery Hero. As a result, the Group holds a stake of 37.3% (fully diluted) in DHH. Rocket Internet SE classified its equity investment in Delivery Hero as available-for-sale financial assets. For more information, see "*7.11 Material Agreements*". On June 30, 2016, Rocket Internet SE, as an indirect shareholder of DHH, granted DHH two shareholder loans in an aggregate amount of up to €60 million, which may be drawn down by DHH in tranches. As of the date of this prospectus, DHH has drawn down €30 million.

Delivery Hero's scalable business model provides a basis for organic growth. It has also engaged in a series of acquisitions. Delivery Hero employed more than 3,300 people as of December 2015. Customers can access a variety of dishes via Delivery Hero's websites, mobile web as well as mobile (iOS, Android) and tablet applications, which are top ranked and have proven to be very successful.

We believe that Delivery Hero's mobile apps are characterized by user-friendly interfaces and state-of-the-art technology, and they are currently responsible for over 50% of total orders placed. Restaurants benefit from an incremental revenue stream, while customers value the convenience of the service.

In 2015, Delivery Hero made several acquisitions, including the acquisition of Damejidlo and Jidloted in the Czech Republic as well as in Slovakia, Yemek Sepeti A.S. in Turkey, eFood in Greece and Talabat in the Middle East. Moreover, it acquired foodora, a food delivery service active in ten countries, which was subsequently merged with its own delivery business Urban Taste.

foodpanda

Launched in 2012, foodpanda operates an online food delivery platform across a significant number of countries in Europe, the Middle East (under the brand name hellofood), Russia and CIS, India, and Asia Pacific. foodpanda focuses on obtaining a strong position in rapidly growing emerging markets. As of August 31, 2016, Rocket Internet SE holds an indirect stake of 49.1% in foodpanda.

Based on its scalable business model and the market potential, foodpanda has grown substantially since its launch in 2012, both organically and through investments in complementary businesses. The company had 3,392 employees as of December 31, 2015. foodpanda's customers can order food via their mobile, tablet or desktop devices. The automated order transmission technology enabled foodpanda to increase the automation rate and thus reduce transmission errors. Restaurants benefit from incremental revenue generation while consumers benefit from the convenience, customer service and mobile focus. foodpanda partners with several leading messaging apps around the world, such as WeChat, Viber and Talk in order to address users with targeted messages and push downloads of the foodpanda app.

In November 2015, foodpanda launched a separate product for corporate clients in order to offer a more convenient order management for both the companies and their employees. In 2015, foodpanda complemented its organic growth with several acquisitions, including acquisitions in India, Thailand, Hong Kong, Pakistan, Singapore, Malaysia, the Philippines, Saudi Arabia and Egypt.

The following table shows foodpanda's revenue, EBITDA and cash and cash equivalents for the periods and as of the dates indicated. The financial information has been taken from the segment information for the Food 2 segment prepared in accordance with IFRS 8 as presented in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		**Six months ended June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) (audited)		**(in € million) (unaudited)**	
Revenue	6.7	31.5	13.4	21.7
EBITDA	(38.5)	(108.7)	(49.6)	(34.6)

	As of December 31,		As of June 30,	
	2014	2015	2015	2016
	(in € million) (audited)		(in € million) (unaudited)	
Cash and cash equivalents	44.5	97.9	153.3	72.1

The following table shows foodpanda's profit or loss for the periods indicated. The financial information has been taken from the summarized financial information or selected key financial indicators of the Group's material associates and material joint ventures, which are prepared on the basis of IFRS and are adjusted by Rocket Internet SE for equity accounting purposes, as presented in accordance with IFRS 12 in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		Six months ended June 30,	
	2014	2015	2015	2016
	(in € million) (audited)		(in € million) (unaudited)	
Profit or loss	(39.7)	(118.2)	(53.4)	(42.4)

In the six months ended June 30, 2016, foodpanda's revenue increased from €13.4 million in the six months ended June 30, 2015 to €21.7 million in the six months ended June 30, 2016, mainly due to continued commission increase and order growth in key markets. foodpanda's loss decreased from €53.4 million in the six months ended June 30, 2015 to €42.4 million in the six months ended June 30, 2016, primarily due to higher operational efficiency and improved automation.

In 2015, foodpanda continued its strong growth, both organically and through acquisitions. Organic growth was realized by adding new vendors, expansion to new countries and cities, acquisition of new customers and improved customer loyalty. foodpanda's loss increased significantly from €39.7 million in 2014 to €118.2 million in 2015 mainly due to significant growth investments, in particular in marketing and infrastructure.

7.7.2.2 Fashion

Our network company, Global Fashion Group, sells fashion and lifestyle products through the Global Fashion Group's own online platforms Lamoda, Dafiti, Jabong, Namshi, and Zalora (operating in Australia and New Zealand under the brand "The Iconic"). The range of merchandise comprises products from international brands, local brands and own brands in the product categories clothing, shoes, accessories as well as a certain selection of home décor and beauty items. Furthermore, Global Fashion Group's also renders associated ancillary services such as marketing, technology, payment, warehousing and logistics services.

GFG GLOBAL FASHION GROUP

In 2015, we completed the roll-up of our five emerging market online fashion companies, Lamoda, Dafiti, Namshi, Zalora (operating in Australia and New Zealand under the brand "The Iconic") and Jabong, including their respective intermediate holding companies, into Global Fashion Group. Overall, Global Fashion Group targets a population across four continents in 26 markets. In 2015, Global Fashion Group had €930.1 million in revenue, an increase of 48% compared to 2014. Global Fashion Group employed over 10,000 people as of December 31, 2015. In July 2016, Global Fashion Group sold its stake in Jabong.

With a focus on emerging markets, Global Fashion Group targets markets which we believe are moving increasingly online for their fashion purchases. Global Fashion Group provides a convenient shopping experience to its customer base by offering a wide assortment of more than 3,000 leading international and local fashion brands as well as private labels.

Operationally, Global Fashion Group focuses on customer service, advanced technology, in particular with respect to mobile applications, cost-efficient and customer-friendly logistical solutions and the creation of economies of scale in sourcing and marketing.

In 2015, Global Fashion Group raised €181 million in additional funding from existing shareholders. Moreover, it acquired two Brazilian online fashion businesses, Kanui and Tricae, in a share-for-share transaction from Rocket Internet SE. In 2015, Global Fashion Group appointed Romain Voog as CEO and Nils Chrestin as CFO. In July 2016, Global Fashion Group raised €330 million in a financing round subscribed by existing investors, including Rocket Internet SE. Following this financing round, Rocket Internet SE holds a direct and indirect stake of 20.6% in Global Fashion Group (beneficial interest including RICP). Following completion of last management roll-over steps agreed in the context of creation of the Global Fashion Group, Rocket Internet's direct and indirect stake after the transaction will decrease to 20.4% (beneficial interest including RICP).

In July 2016, Global Fashion Group entered into a definitive agreement for the sale of Jabong for a cash consideration of USD 70 million in cash. The transaction closed on August 2, 2016. For further information, see "*8.2 Recent Transactions and Financing Rounds*".

The following table shows Global Fashion Group's revenue, EBITDA and cash and cash equivalents for the periods and as of the dates indicated. The financial information has been taken from the segment information for the Fashion segment prepared in accordance with IFRS 8 as presented in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		**Six months ended June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) **(audited)**		**(in € million)** **(unaudited)**	
Revenue	627.5	930.1	418.3	455.8
EBITDA	(250.3)	(318.6)	(160.9)	(82.3)

	As of December 31,		**As of June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) **(audited)**		**(in € million)** **(unaudited)**	
Cash and cash equivalents	153.4[(1)]	75.2	75.7	120.2

(1) Cash and cash equivalents is determined on aggregated basis for the fashion network companies. It does not include any cash and cash equivalents of the Global Fashion Group S.A. and other intermediate holding companies.

The following table shows Global Fashion Group's profit or loss for the periods indicated. The financial information has been taken from the summarized financial information or selected key financial indicators of the Group's material associates and material joint ventures, which are prepared on the basis of IFRS and are adjusted by Rocket Internet SE for equity accounting purposes, as presented in accordance with IFRS 12 in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		Six months ended June 30,	
	2014	2015	2015	2016
	(in € million) (audited)		(in € million) (unaudited)	
Profit or loss	185.7[1]	(379.7)	(194.7)	(1,388.1)[2]

(1) Due to the formation of Global Fashion Group in December 2014, its profit for the year ended December 31, 2014 reflects Jabong, Lamoda, Namshi, Dafiti and Zalora only between the acquisition or formation date and December 31, 2014 and differs from the Fashion segment information reflecting all fashion network companies on a 100% basis. See "*6.5.2 Fashion*" and revenue and EBITDA information in the table above.

(2) Loss for the six months ended June 30, 2016 includes impairment losses of €1,241.1 million.

In the six months ended June 30, 2016, revenue of Global Fashion Group increased slightly from €418.3 million in the six months ended June 30, 2015 to €455.8 million in the six months ended June 30, 2016. Revenue was held back by the disposal of Jabong. While Jabong's revenue was included in Global Fashion Group's revenue for the six months ended June 30, 2015, it was not included in Global Fashion Group's revenue for the six months ended June 30, 2016. Adjusting for Jabong's revenue contribution in the six months ended June 30, 2015, Global Fashion Group's revenue increased substantially in the six months ended June 30, 2016 when compared to the six months ended June 30, 2015. Global Fashion Group's loss increased strongly from €194.7 million in the six months ended June 30, 2015 to €1,388.1 million in the six months ended June 30, 2016, due to impairment losses of €1,241.1 million triggered by the valuation derived from Global Fashion Group's funding round in July 2016.

In 2015, profit or loss of Global Fashion Group changed from a profit of €185.7 million in 2014, primarily attributable to one-off reorganization gains to a loss of €379.7 million in 2015.

Following the sale of Jabong, which closed on August 2, 2016, the following four fashion e-commerce companies of the Global Fashion Group will conduct businesses under their own brands in their respective target markets in the future: Lamoda (Russia and CIS), Dafiti (Brazil and Latin America), Namshi (the Middle East) and Zalora (Southeast Asia; in Australia and New Zealand Zalora operates under the brand "The Iconic"):

lamoda.ru
мода с доставкой

Lamoda is one of the leading online retailers for fashion in the CIS. Since it launched in Russia in 2011, Lamoda has expanded into Kazakhstan in 2012 as well as into Ukraine the following year. Lamoda commenced its Belarus operations in 2014. As of December 31, 2015, Lamoda employed more than 4,000 people.

Lamoda offers a growing range of men's, women's and children's clothing, shoes and accessories, sourced from established designers as well as young brands and has also set up its own private labels. Through its website and its mobile applications, which regularly rank high in app stores, customers can access more than 100,000 products from over 1,000 regional and international brands.

In 2015, Lamoda invested in its fulfillment center to accommodate the steady increase in orders. By establishing its own distribution and delivery capabilities, which process more than 70% of the shipments, Lamoda addressed the logistics challenge in Russia, which enabled it to offer high quality services, including try-on services as well as next-day delivery options in select cities. Lamoda recently introduced a marketplace model, offering local retailers a possibility to sell their products online via Lamoda's website, thereby expanding its product range and enhancing the potential for market share gains and further growth.

dafiti

Dafiti launched its business in 2011 and has developed into one of the best known online fashion retailers in Latin America. It operates in four Latin American countries (Brazil, Argentina, Chile and Colombia) and employed more than 3,400 people as of December 31, 2015.

Dafiti offers an increasing variety of men's, women's and children's clothing, shoes and accessories, as well as home décor products sourced from a large portfolio of third-party vendors. Its products range from high street brands and designer labels to private label brands launched by Dafiti.

Dafiti's share of mobile sales is increasing constantly. Its customers are able to browse and shop via both desktop and mobile websites as well as through Dafiti's proprietary universal iOS and Android applications. Dafiti continues to invest in its logistics infrastructure with own storage facilities, distribution and delivery capabilities and its customer care service. In order to expand its product offering, Dafiti started the establishment of a marketplace model for fashion and lifestyle products in 2015.

NAMSHI

Namshi is an online fashion retailer in the Middle East, offering an assortment of clothing, shoes and accessories for men, women and children, both from local and international designers as well as from its own private labels. Namshi has successfully built an online fashion e-commerce presence in seven countries (Bahrain, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia and United Arab Emirates ("**UAE**")), capitalizing on the continuous shift to online purchases in the Middle Eastern region. Namshi's portfolio of more than 30,000 products from over 500 international brands can be accessed through its website, mobile sites as well as its mobile applications. Namshi has grown to 315 employees as of December 31, 2015.

In 2015, Namshi expanded its assortment with local and international brands such as Mango, Topshop and Topman and invested in logistics infrastructure as well as new warehouses to provide a platform for future growth.

ZALORA

Launched in 2012, Zalora group is a leading online fashion retailer in the Asia-Pacific region. It offers clothing, shoes, accessories and beauty products in seven countries in Southeast Asia and Greater China (Indonesia, Malaysia, the Philippines, Singapore, Taiwan, Brunei and Hong Kong) under the ZALORA brand and in Australia and New Zealand under the brand The Iconic. As of December 31, 2015, the Zalora group employed 2,154 people.

By offering a mix of high-street brands and its own private label, Zalora has been able to continuously grow its customer base. The Zalora group's mobile apps were redesigned in 2015, offering an improved user experience.

We believe that the Zalora group has an attractive value proposition among online fashion retailers as it offers more than 20,000 products from over 500 brands in each market. Zalora seeks to fill the gap of missing offline supply for affordable high street fashion that exists in many Southeast Asian markets.

Throughout 2015, the Zalora group continued to invest in its infrastructure including warehousing, customer experience, call centers, payments and last-mile delivery. In addition, the group further improved its assortment by adding key international brands such as Topman and Topshop. Zalora's private label is one of the best-selling brands, even though it is only available through Zalora's own website. Throughout the year, Zalora also focused on its marketplace model, facilitating merchants to sell directly over the Zalora platform. In 2016, Zalora disposed of its operations in Thailand and Vietnam.

7.7.2.3 General Merchandise

The General Merchandise sector comprises companies offering a broad assortment of consumer products including consumer electronics, fashion, home and living, sporting goods, media and health and beauty products. Our General Merchandise businesses have shifted to be predominantly marketplace models, allowing merchants to list and transact their products through our marketplace platforms. Our network company in this sector is Jumia in Africa.

Other companies in this sector that were founded by us include Lazada and Linio. We sold a 9.1% stake in Lazada to Alibaba in April 2016. Lazada is no longer included in the segment General Merchandise starting from April 2016. In Linio, we did not participate in a down-round in August 2016, as a result of which Rocket Internet SE's stake in Linio will decrease to 4.9% on a fully diluted basis after the issuance of anti-dilution shares to more senior ranking investors and assuming drawdown of the full investment amount of €50 million. While Linio is included in the General Merchandise segment for the six months ended June 30, 2016, it will cease to be a part of this segment going forward.

Revenue of the General Merchandise segment (including Jumia, Lazada and Linio) increased from €243.1 million in 2014 to €449.9 million in 2015. Revenue decreased from €221.4 million in the six months ended June 30, 2015 to €122.7 million in the six months ended June 30, 2016, primarily due to the partial disposal of Lazada in April 2016.

JUMIA

Jumia operates a large e-commerce platform in Africa, connecting local and international brands and services with consumers. The company operates in twelve African countries including Cameroon, Egypt, Ghana, Ivory Coast, Kenya, Morocco, Nigeria and South Africa. It has expanded its merchant base within the last year, offering an assortment of more than 83,000 stock keeping units from more than 10,000 local and international brands. Its primary focus is on fashion and electronics, which are offered through two operating models, the business-to-consumer e-commerce platform and the online marketplace, enabling third-party merchants and brands to offer their products to the Jumia customer base. In 2015, the company continued to focus on the development of its marketplace platform and associated services such as logistics. Jumia's products can be purchased through its desktop and mobile websites as well as its mobile applications. The company has continued its strong growth on mobile presence with increasing numbers of users of mobile applications, resulting in a significantly higher share of mobile orders of 45%. The company employed 3,486 people as of December 31, 2015. In August 2016, Jumia's holding company, Africa eCommerce Holding GmbH, was merged into Africa Internet Holding GmbH, of which it was a wholly owned subsidiary. As of August 31, 2016, Rocket Internet SE held a direct and indirect stake of 28.4% (beneficial interest including RICP) in Africa Internet Holding GmbH.

To further strengthen its market positioning and improve its delivery experience, Jumia continued to invest in the logistic platform throughout 2015. By operating its own delivery fleets, warehouses and call centers, as well as working closely with selected partners, Jumia is able to efficiently handle the operational challenges in the region. Its payment-on-delivery method enables Jumia to respond to a market where a large portion of the population does not have a bank account. In collaboration with major local telecommunications partners, MTN and Millicom, Jumia seeks to drive its future growth by increasing traffic from its mobile users through promotions, joint marketing campaigns, mobile apps, business data sharing, cross-selling as well as the joint construction and use of certain infrastructure. Jumia's goal is to continue to focus on the advancement of its marketplace model and enhancing the product offering in order to acquire more customers.

In June 2016, all business models in Africa were renamed around the Jumia brand. For more information, see "*7.7.3 Regional Internet Groups*".

The following table shows Jumia's revenue, EBITDA and cash and cash equivalents for the periods and as of the dates indicated. The financial information has been taken from the Group's internal management data underlying the segment information for the General Merchandise segment prepared in accordance with IFRS 8 as presented in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		**Six months ended June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) (unaudited)		**(in € million) (unaudited)**	
Revenue	61.7	134.6	75.8	33.0
EBITDA	(55.4)	(118.9)	(47.7)	(38.0)

	As of December 31,		**As of June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) (unaudited)		**(in € million) (unaudited)**	
Cash and cash equivalents	21.3	9.5	10.7	5.0

7.7.2.4 Home & Living

Home24 and Westwing are grouped in the reportable segment Home & Living. Home24 is an online shop for home-and-living products in Europe, operating in seven European countries as well as Brazil, Russia and Kazakhstan. Westwing is an international home-and-living e-commerce company that offers a frequently changing, curated selection of home-and-living products to its customers in eleven European countries and Brazil. In 2015, revenue of the Home & Living segment increased by 32% from €343.5 million in 2014 to €452.8 million in 2015.

WESTWING
HOME AND LIVING

Westwing is an international home and living e-commerce company that offers a frequently changing, curated selection of home and living products to its customers in eleven European countries as well as Brazil, Russia and Kazakhstan. The company aims to inspire its mostly female customer base with the latest hand-picked selection of decoration products and textiles for home and living as well as furniture, partnering with more than 5,000 different suppliers and offering products of its own private labels. Westwing aims to distinguish itself as the destination for curated and, at the same time, affordable home and living products. Westwing had more than 1,600 employees as of December 31, 2015. As of August 31, 2016, Rocket Internet SE held a direct and indirect stake of 31.8% in total in Westwing.

In 2015, Westwing started its permanent assortment shop WestwingNow in Germany, a website that provides a fixed assortment with a wide selection of products and fast delivery options as well as the possibility to shop the look of pre-designed rooms, with the aim of completing the company's overall home and living offering. Westwing has implemented several technological improvements and was able to improve processes and efficiency. In addition, it introduced new iOS apps to provide a better user experience to its mobile customers.

The following table shows Westwing's revenue, EBITDA and cash and cash equivalents for the periods and as of the dates indicated. The financial information has been taken from the Group's internal management data underlying the segment information for the Home & Living segment prepared in accordance with IFRS 8 as presented in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		Six months ended June 30,	
	2014	2015	2015	2016
	(in € million) (unaudited)		(in € million) (unaudited)	
Revenue	183.3	219.2	108.8	117.9
EBITDA	(60.7)	(54.6)	(36.4)	(10.8)

	As of December 31,		As of June 30,	
	2014	2015	2015	2016
	(in € million) (unaudited)		(in € million) (unaudited)	
Cash and cash equivalents	20.7	18.7	36.4	23.8

The following table shows Westwing's profit or loss for the periods indicated. The financial information has been taken from the summarized financial information or selected key financial indicators of the Group's material associates and material joint ventures, which are prepared on the basis of IFRS and are adjusted by Rocket Internet SE for equity accounting purposes, as presented in accordance with IFRS 12 in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		Six months ended June 30,	
	2014	2015	2015	2016
	(in € million) (audited)		(in € million) (unaudited)	
Profit or loss	(72.6)	(68.1)	(38.9)	(12.0)

In the six months ended June 30, 2016, Westwing's revenue increased by 8.4% from €108.8 million the six months ended June 30, 2015 to €117.9 million the six months ended June 30, 2016, as Westwing changed its focus from revenue growth to profitability. Accordingly, Westwing's loss decreased significantly from €38.9 million in the six months ended June 30, 2015 to €12.0 million in the six months ended June 30, 2016.

Westwing's revenue increased by 19.6% from €183.3 million in 2014 to €219.2 million in 2015, despite the negative impact on Westwing's business of the adverse foreign exchange movement in Brazil. Westwing's loss decreased slightly from €72.6 million in 2014 to €68.1 million in 2015.

home24

Launched in 2009 and operating under the current brand name since 2012, Home24 is an online shop for home and living products in Europe. The company operates in seven core markets in Europe: Germany, Austria, Switzerland, Belgium, France, Italy and the Netherlands. Additionally, Home24 is also operating in Brazil under the brand name mobly. Home24 offers a broad range of furniture products from a large number of manufacturers ranging from upholstery to lamps and home accessories as well as garden furniture. In 2015, Home24 was able to grow revenue to €233.7 million, and it employed 1,383 people as of December 31, 2015. As of August 31, 2016, Rocket Internet SE held a 44.6% stake in Home24. In September 2016, Home24 raised €20 million in a financing round. In this financing round, Home24 was valued at €420 million post-money, compared to a post-money valuation of €981 million prior to this financing round. Rocket Internet participated in Home24's current financing round. As a result, Rocket Internet SE's direct and indirect stake in Home24 decreased to 42.9% (beneficial interest including RICP).

Home24's product offering includes a variety of brands, including Home24's own private labels. In addition, the company seeks to distinguish itself from its competitors through a high degree of product availability as well as through its customer service and order fulfillment process. Home24 delivers all of its products, regardless of weight and dimensions, for free and directly to the customer. By combining different logistical fulfillment channels, Home24 seeks to reduce inventory risk and working capital requirements while, at the same time, offering attractive delivery times. In the development and update of its tablet applications, Home24 focuses on customer shopping experience with a goal of increasing the basket value per customer and the engagement rate.

In order to increase its inventory capacity and further reduce delivery times, in 2015, Home24 opened a new warehouse of over 60,000 sqm in Northern Germany. In addition, the company launched nine new private label brands throughout the year, covering sofas, sideboards, mattresses, beds, wardrobes, lamps and tables. In November 2015, Home24 acquired Fashion for Home, an international furniture company for premium furniture.

The following table shows Home24's revenue, EBITDA and cash and cash equivalents for the periods and as of the dates indicated. The financial information has been taken from the Group's internal management data underlying the segment information for the Home & Living segment prepared in accordance with IFRS 8 as presented in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		**Six months ended June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) (unaudited)		**(in € million) (unaudited)**	
Revenue	160.1	233.7	117.6	123.5
EBITDA	(54.2)	(77.1)	(38.6)	(26.8)

	As of December 31,		**As of June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) (unaudited)		**(in € million) (unaudited)**	
Cash and cash equivalents	29.7	45.9	100.1	24.5

The following table shows Home24's profit or loss for the periods indicated. The financial information has been taken from the summarized financial information or selected key financial indicators of the Group's material associates and material joint ventures, which are prepared on the basis of IFRS and are adjusted by Rocket Internet SE for equity accounting purposes, as presented in accordance with IFRS 12 in the audited consolidated financial statements as of and for the year ended December 31, 2015 and the unaudited interim condensed consolidated financial statements as of and for the six months ended June 30, 2016 of Rocket Internet SE.

	Year ended December 31,		**Six months ended June 30,**	
	2014	**2015**	**2015**	**2016**
	(in € million) (audited)		**(in € million) (unaudited)**	
Profit or loss	(62.4)	(93.9)	(46.9)	(33.9)

In the six months ended June 30, 2016, Home24's revenue increased by 5.0% from €117.6 million in the six months ended June 30, 2015 to €123.5 million in the six months ended June 30, 2016, as Home24 changed its focus from revenue growth to profitability. As a result of the change in focus and due to operational improvements, Home24's loss decreased from €46.9 million in the six months ended June 30, 2015 to €33.9 million in the six months ended June 30, 2016.

Home24's revenue grew by 46.0% from €160.1 million in 2014 to €233.7 million in 2015, despite the negative impact of weak retail climate in Latin America and foreign exchange devaluation. Home24's loss increased from €62.4 million in 2014 to €93.9 million in 2015 due to TV advertising and logistics expansion expenses.

7.7.3 Regional Internet Groups

As part of our global strategy, we have set up Regional Internet Groups in Africa, Middle East and Asia Pacific. These companies function as holding and support companies for businesses in the respective regions. They partner with telecommunications companies with a strong presence in the relevant region. Our Regional Internet Groups have the following key functions:

- local/regional market insights allowing for business model adaptations according to local/regional particularities;
- local/regional commercial and strategic partnerships;
- local/regional sourcing (*i.e.*, local team and pool of talent); and
- local/regional rollout of business models.

In addition, the Regional Internet Groups have been used to raise funds from investors, in particular telecommunication operators, who were seeking broad exposure to the application level of mobile internet in the relevant geographic market. Our partners such as MTN, Ooredoo and Millicom are co-investors in our Regional Internet Groups and provide them with strategic support and opportunities to realize synergies.

Africa Internet Group

Africa Internet Group aims to provide easy-to-use services across the African continent, enabling businesses and consumers to connect and transact. It was formed in 2012 and is currently active in 23 African countries. Its shareholders include Rocket Internet SE, two of its telecommunications partners, MTN and Millicom as well as Goldman Sachs, Orange, CDC and AXA, among others. MTN is a South Africa-based multinational mobile telecommunications company operating primarily in African and Middle Eastern countries. Millicom offers a range of digital services primarily under the Tigo brand in a large number of markets in Africa and Latin America. Africa Internet Group partners with MTN, Millicom, Orange and AXA on sales and marketing activities.

In order to harmonize the branding, all business models operated by Africa Internet Group (other than Easy Taxi) were renamed around the Jumia brand in June 2016. The brands include Jumia (general merchandise), Jumia Market (a shopping community, formerly called Kaymu), Jumia Food (a food ordering platform, formerly called Hellofood Africa), Jumia Travel (a hotel booking platform, formerly called Jovago Africa), Jumia Deals (general classifieds, formerly called Vendito Africa), Jumia House (real estate classifieds, formerly called Lamudi Africa), Jumia Car (vehicle classifieds, formerly called Carmudi Africa), Jumia Jobs (job classifieds, formerly called Everjobs) and Jumia Services (a logistics platform, formerly called AIG Express).

Under such harmonized branding, Africa Internet Group seeks to achieve improved efficiency by focusing on building one brand across Africa and combining separate customer bases to increase traffic to its websites. Customers will be able to navigate different services seamlessly, and sellers offering products and services through our websites will benefit from significantly increased exposure.

In order to simplify the corporate structure of the Africa Internet Group, Africa eCommerce Holding GmbH, which is the holding company for Jumia, was merged into the holding company of the Africa Internet Group, Africa Internet Holding GmbH, in August 2016. See also “*7.7.2.3 General Merchandise*”.

Middle East Internet Group

Middle East Internet Group was formed in 2013 to bundle our activities across six countries in the Middle East: Bahrain, Jordan, Kuwait, Saudi Arabia, the UAE and Qatar. Middle East Internet Group is co-owned by Rocket Internet SE and its telecommunications partner MTN (Dubai) Limited, an affiliate of MTN Group Limited.

Middle East Internet Group operates seven business models in the Middle East: Wadi (general merchandise marketplace), Easy Taxi (mobile taxi hailing platform), Lamudi (online real estate classifieds), Carmudi (online car classifieds), Helpling (marketplace for cleaning services), Vaniday (beauty booking platform) and Kaymu (online consumer-to-consumer marketplace).

Wadi was founded in 2015. It offers approximately 150,000 products from over 2,000 brands, covering products ranging from consumer electronics, fashion and cosmetics, to kitchen appliances and more. In February 2016, Wadi completed a financing round led by the Al Tayyar Travel Group. Easy Taxi is a mobile taxi booking services, which has established partnerships with thousands of active drivers across five countries in the Middle East, specifically Bahrain, Jordan, Kuwait, Qatar and Saudi Arabia. In the Middle East, Lamudi operates in Saudi Arabia and Jordan, two of the region’s largest markets. Carmudi was launched in 2014 and operates in the Middle Eastern countries Qatar, Saudi Arabia and the UAE. Across the Middle East, Carmudi lists vehicles and partners with car dealerships. In the Middle East, Helpling is active in the UAE, allowing users to book trusted and reliable cleaners in a fast and convenient way at attractive prices.

Asia Pacific Internet Group

Asia Pacific Internet Group focuses on online business in the areas of e-commerce, marketplaces, classifieds and travel and also offers several other services. It was formed in 2013 and is active across 15 countries in the Asia-Pacific region, including Australia. It is co-owned by Rocket Internet SE and Al Wokaer Holding S.P.C., a wholly owned subsidiary of the telecommunications provider Ooredoo Q.S.C.

Asia Pacific Internet Group currently operates 16 business models, including Daraz (consumer goods retailer), Kaymu (online consumer-to-consumer marketplace), Jovago (online hotel booking platform), Lamudi (global online real estate classifieds), Carmudi (global online car classifieds), Everjobs (job classifieds), Easy Taxi (mobile taxi hailing platform), ClickBus (bus booking platform), Helpling (cleaning service platform), Vaniday (online destination for beauty and wellness services), Zenrooms (online budget hotel network), Lyke (mobile app for personalized fashion) and ads.com.mm (general classifieds).

In particular, Daraz, an online shopping mall in Asia, scaled its business significantly throughout 2015 and raised capital in a financing round driven by the external investment of CDC Group plc, a development finance institution wholly owned by the United Kingdom government. In addition, several businesses rolled out in 2015 including Vaniday, Zenrooms and Lyke showed already significant growth.

Since 2014, Asia Pacific Internet Group has been a joint venture between Rocket Internet SE and Ooredoo, its telecommunications partner active in multiple Asian countries. Our strategic cooperation with Ooredoo enables Asia Pacific Internet Group's companies to scale locally in a faster and easier way by providing them access to a larger consumer base of approximately 60 million telecom subscribers. Asia Pacific Internet Group also holds two-thirds of the shares in Philippines Internet Holding, co-owned with PLDT.

7.7.4 New Businesses & Investments

In addition to the companies described in our focus industry sectors (see "*7.7.2 Focus Industry Sectors*"), Rocket Internet SE owns stakes in companies at various maturity stages, ranging from new business models to companies that have already taken steps to build leadership positions and expand geographically.

Our New Businesses & Investments include stakes in an online booking platform for camping sites and outdoor holiday spots, an online marketplace for second-hand cars, a marketplace for catering services, a company that lists coupons and vouchers from online retailers, an online platform for cleaning services, marketplaces for loans, an online provider of moving services, a marketplace listing mid- and long-term accommodation offers, an online community allowing car owners to let their cars, an online community providing access to health and fitness classes, a marketplace for beauty and wellness-related offerings, a marketplace for short-term accommodation, an online furniture shop and an online on-demand laundry service.

7.8 Employees

Rocket Internet SE employed on average 233 employees in 2013, 257 employees in 2014, 403 employees in 2015.

As of December 31, 2015, the Group employed a total of 1,496 employees (December 31, 2014: 1,586), thereof 857 employees located in Germany (December 31, 2014: 508) and 639 employees abroad (December 31, 2014: 1,078).

As of June 30, 2016, the Group employed a total of 937 employees. The number of persons employed by the Group did not change significantly between June 30, 2016 and the date of this prospectus.

7.8.1 Compensation

The following section provides a description of the compensation of the members of senior management and certain employees of most of our network companies, holding companies and local entities. For information on the remuneration of the members of the Management Board and the Supervisory Board, including Rocket Internet SE's share participation plan, see "*13.2.3 Remuneration and Other Benefits of the Management Board Members*", "*13.3.3 Remuneration of the Members of the Supervisory Board*" and "*13.4 Share Participation Plan*".

The remuneration of the members of senior management and certain employees of our network companies, holding companies and local entities is determined by their employment contracts. The salary of the members of the senior management and of certain employees of our network companies, holding companies and local entities typically includes a variable remuneration component. We typically use one of three variable compensation models for senior management and certain employees of our network companies, holding companies and local entities, which are summarized below.

The first type of variable remuneration arrangements provides for equity participation via a trust relationship. This equity participation amounts in many cases to approximately 10% on a global and local level for a portfolio business. In some cases, this equity participation amounts to up to 30% or higher of all shares at a global level. The trustee holds a certain amount of shares in accordance with the terms and conditions of a trust agreement for the benefit of the trustor, who can be either a member of senior management, an employee of certain companies or an investment entity controlled by such a management member or employee. A separate angel agreement, between the trustor and the relevant company, governs certain obligations regarding, *inter alia*, vesting-rights and non-compete obligations that relate to the indirect shareholding of the relevant senior management member in the relevant company. The currently predominantly applied vesting scheme, which is dependent on time, provides for quarterly vesting over a period of typically 4 years and typically a 6-month or 12-month period during which the shares allocated to the relevant management member can be clawed back (the so-called cliff period). Typically, a part of one-third or 50% of the shares is subject to an exit-related vesting (*i.e.*, this part only vests upon the later of (i) the occurrence of a change of control (in some cases plus 12 months) or (ii) 4 years after the grant of the shares). Thereafter, in case of a bad leaver event, we may typically also claw back all vested and unvested shares, while in case of a good leaver event, we may only claw back the unvested shares. A bad leaver event is typically triggered, if, for example, the respective service agreement between a senior management member and a company is terminated by such company for good cause, the senior management member demonstrably committed a criminal offence against the company or such member breached its non-compete obligation. A good leaver event is typically triggered, if, for example, the service agreement is terminated by either party without good cause.

Call option arrangements that entitle the relevant senior management members or employees of certain companies to acquire a pre-defined number of shares in the relevant company are the second type of variable remuneration. The call options are usually granted under vesting terms comparable to those as described above. In the case of a change of control, the relevant company is entitled to request that relevant senior management members exercise all call options existing at such point in time. Upon the occurrence of a bad leaver event, all call options that have not been exercised lapse. In the case of a good leaver event, all call options lapse for which the exercise period has not yet commenced.

The third type of variable remuneration allows certain members of the senior management or certain employees of certain companies to participate in exit related proceeds via (virtual) call option arrangements and/or profit participation agreements. The particular terms, the notional value and the actual distribution of the proceeds to the participants differ individually, and are mostly determined and managed by the relevant company's management and is subject to certain shareholders' approval.

7.8.2 Pensions

Rocket Internet SE has not entered into pension arrangements with its employees that would provide for benefits for such employees. Any benefit agreements Rocket Internet SE has entered into with its employees only allow such employees to convert a gross portion of their salary into a pension contribution without additional costs to Rocket Internet SE.

7.9 Intellectual Property, Trademarks and Domains

7.9.1 Patents

As of the date of this prospectus, the Group does not hold any patents.

7.9.2 Trademarks

The Group is the owner of the following trademarks, which are essential for the Group's business activity. For Rocket Internet SE, the device mark "rocket in a circle" (*Rakete im Kreis*) and the word-device mark "Rocket Internet", which are both registered European Union-wide, are material.

7.9.3 Domains

Rocket Internet SE and its subsidiaries are the owners of a large number of internet domains, which are essential for their business activities. The following internet domains are considered material to the business of Rocket Internet SE:

- rocket-internet.com;
- rocket-internet.de;
- rocket-internet.net;
- rocket-internet.eu;
- rocket-internet.info;
- rocket-internet.biz;
- rocket-internet.co.uk;
- rocket-internet.co;
- rocket-internet.lu; and
- rocket-internet.tv.

7.9.4 Proprietary Software

Rocket Internet SE and its subsidiaries are also the developers and owners of proprietary software for online marketing, business intelligence and information technology. The most significant software comprises:

- a data warehouse, comprising data, intelligence and reporting layers;
- Sky Rocket and other platforms developed for the companies;
- mobile apps developed for the companies;
- SellerCenter, a system empowering e-commerce companies to offer marketplace transactions;
- OMS, an order and warehouse management system;
- Kamino, which is a monitoring platform; and
- DataJet, big data search and recommendation engine.

7.10 Insurance Coverage

Rocket Internet SE holds contents insurance policy (*Inhaltsversicherung*) with a total coverage of up to €398,000 and a deductible of €500. In addition, Rocket Internet SE has purchased legal protection insurance (*Strafrechtsschutz*) in the areas of criminal law and employment law. Furthermore, Rocket Internet SE holds an office liability policy (*Bürohaftpflicht*) with a total coverage of up to €5 million which also covers certain business interruptions.

Rocket Internet SE has taken out a D&O insurance policy for the members of its Management and Supervisory Boards and managing directors with a total coverage of up to €125 million annually; the D&O insurance policy was entered into with VOV GmbH, Zurich, XL Catlin, Allianz and AXA. The D&O insurance contracts provide for a deductible for all of Rocket Internet SE's Management Board members in line with the respective provisions of the AktG. The D&O insurance policies cover financial losses arising from a breach of duty by Rocket Internet SE's Management and Supervisory Board members in the course of their duties. Rocket Internet SE also holds a D&O insurance covering board members of certain companies in the Rocket Internet network of companies with a total coverage of up to €10 million. This D&O insurance was entered into with VOV.

7.11 Material Agreements

7.11.1 Convertible Bond

On July 22, 2015, Rocket Internet SE issued convertible bonds with a total principal amount of €550 million, divided into 5,500 bonds with a principal amount of €100,000 each (the "**Convertible Bonds**", and each, a "**Convertible Bond**"). The Convertible Bonds bear interest of 3.0% p.a. on their principal amount, payable semi-annually in arrears. The Convertible Bonds mature on July 22, 2022 and include the following options:

- Rocket Internet SE has the right to redeem the Convertible Bonds, in whole, but not in part, from August 6, 2019 on at any time if the average price of Rocket Internet SE (volume-weighted) on at least 20 of 30 consecutive trading days exceeds 140% of the then applicable conversion price.

- Rocket Internet SE has the option to redeem the Convertible Bonds at any time if only 15% or less of the Convertible Bonds issued are outstanding.

- The Convertible Bonds may be repaid at the principal amount plus accrued interest in cash.

- The Convertible Bonds can be converted into shares of Rocket Internet SE from September 1, 2015 on at the conversion price (to be determined in accordance with their terms and conditions); none of the Convertible Bonds have been converted yet. The contingent capital can be used to service the Convertible Bonds (subject to general corporate requirements).

The conversion price per share currently amounts to €47.5355 and is subject to customary anti-dilution adjustments (for instance, in case of the consolidation of shares, capital increases against contribution with subscription rights or dividend payments). Based on the aforementioned conversion price and the number of currently outstanding bonds, the full exercise of all conversion rights could result in the issuance of up to approximately 9.8 million shares in Rocket Internet SE and would thereby increase Rocket Internet SE's current share capital by up to approximately 6%. The terms and conditions contain a "change of control" provision, as a consequence of which the bondholders may choose to either demand early redemption or conversion of the Convertible Bonds into shares of Rocket Internet SE at an adjusted conversion price.

In February 2016, Rocket Internet SE decided to spend up to €150 million on a program to repurchase Convertible Bonds. In the six months ended June 30, 2016, the Group repurchased Convertible Bonds with an aggregate principal amount of €83.7 million for €69.4 million. By September 2016, Rocket Internet SE had almost spent the full amount on the repurchase of Convertible Bonds with an aggregate principal amount of €164 million. Rocket Internet SE announced that it may spend an additional €85 million on the repurchase of Convertible Bonds until September 30, 2017.

7.11.2 Investments in Delivery Hero

As part of multiple share purchase and contribution agreements that Group entities entered into in the first half of 2015, the Group made several cash investments in the aggregate amount of €767.9 million in Delivery Hero. In addition, the Group contributed its shares in Yemek Sepeti A.S. (an online food takeaway marketplace in Turkey) to Delivery Hero in exchange for shares in Delivery Hero.

Altogether in the first half of 2015, the Group purchased a stake in Delivery Hero Holding GmbH corresponding to approximately 44% (prior to dilutive effects of convertible instruments issued by Delivery Hero) of the total outstanding share capital of Delivery Hero as of June 30, 2015. Due to the capital increases performed by Delivery Hero after June 30, 2015, Rocket Internet SE's share decreased to 40% as of December 31, 2015 (prior to dilutive effects of convertible instruments issued by Delivery Hero). As of August 31, 2016, Rocket Internet SE held a 37.3% stake in Delivery Hero (on a fully-diluted basis).

Under the terms of the shareholders' agreement between Rocket Internet SE and the other shareholders of Delivery Hero, the Group's voting rights are limited to 30%. In addition, the agreement does not allow the Group to nominate any members or observers to Delivery Hero's supervisory board, which precludes Rocket Internet SE from participating in the policy-making processes of Delivery Hero and from obtaining timely, adequate financial information. As a result, Rocket Internet SE classifies its equity investment in Delivery Hero as an available-for-sale financial asset.

As of December 31, 2015, Rocket Internet SE's carrying amount of the shares in Delivery Hero amounted to €978.9 million, which corresponded to 19.6% of the total assets on Rocket Internet SE's consolidated balance sheet.

7.11.3 Rocket Internet Capital Partners SCS and Rocket Internet Capital Partners (Euro) SCS

On January 6, 2015, Rocket Internet Capital Partners Lux S.à r.l. ("**General Partner**") and Rocket Internet Capital Partners Founder SCS ("**Special Limited Partner**") entered into a partnership agreement relating to RICP USD, which was amended and restated on January 19, 2016 ("**USD Partnership Agreement**"). On November 12, 2015, the General Partner and the Special Limited Partner entered into a further partnership agreement. This partnership agreement, which was amended and restated on January 19, 2016 ("**Euro Partnership Agreement**", and together with the USD Partnership Agreement, the "**Partnership Agreements**") relates to RICP Euro. RICP raises funds from the Special Limited Partner and from institutional investors and high net worth individuals.

The General Partner has been granted authority to admit investors to RICP and thereafter to operate RICP and manage its investments. Decisions concerning transfers of interests in RICP and matters pertaining to investor relations have to be carried out together with the Special Limited Partner. The General Partner uses the services of RI Capital Advisors Limited (UK) ("**Investment Advisor**") to assist with the sourcing of investments and the preparation of acquisition and divestment proposals in connection therewith. Rocket Internet SE is the sole shareholder of both the General Partner and the Investment Advisor. In addition, Rocket Internet SE holds 75% of the ownership of, and voting rights and economic rights in, the Special Limited Partner, with the remaining 25% to be held by members, directors and employees of the General Partner, the Investment Advisor and any of their associates participating in the operations of RICP. The General Partner has appointed Crestbridge Management Company S.A. as external alternative investment fund manager to RICP, being responsible for portfolio management and risk management functions in consultation with the General Partner.

The Special Limited Partner has agreed to ensure that Rocket Internet SE shall, directly or indirectly, commit at least 10% of the aggregate commitments in RICP. In aggregate, Rocket Internet SE agreed to invest a total of USD 74 million into RICP through the Special Limited Partner. As the maximum commitment size of RICP is USD 1 billion, the total aggregate amount committed by Rocket Internet SE may rise to USD 100 million.

According to the Partnership Agreements, the Investment Advisor has to procure that the General Partner be presented with any investment opportunity that falls within RICP's investment policy and is appropriate for investment by RICP. An exception applies, however, to strategic investments (*i.e.*, investment opportunities that the Management Board of Rocket Internet SE determines to be of a strategic nature and that are acknowledged to be such by the General Partner), and seed rounds of companies incubated by Rocket Internet SE.

To the extent that both RICP and Rocket Internet take up an investment opportunity, RICP and Rocket Internet will invest in a ratio of 4:1.

7.11.4 Facilities

Rocket Internet SE does not own any material properties. There are currently no plans concerning additions of material tangible fixed assets, including leased properties. Accordingly, Rocket Internet SE currently does not require funding for material tangible fixed assets.

Rocket Internet SE's headquarters, known as the "Rocket Tower", in the Kreuzberg district of Berlin, Germany, are rented under a lease agreement dated March 5, 2015, between Rocket Internet SE and Wiggum S.à r.l., an indirectly wholly-owned subsidiary of J.P. Morgan European Opportunistic Property Fund III Master L.P. The lease has a fixed term of fifteen years from August 1, 2016 until July 31, 2031. Rocket Internet SE has the option to extend the lease for a period of five years. The monthly rent amounts to €0.2 million during an introductory period ending on August 31, 2017 as well as for the month of August 2026, and €0.6 million for all other months during the term of the lease. The lease provides for rent adjustments in the event the German consumer price index increases or decreases by more than 4.5% in the amount of the percentage the index has increased or decreased. The lease agreement may be terminated pursuant to the general provisions of the German Civil Code (*Bürgerliches Gesetzbuch*). If the property is sold, all duties and obligations under the existing lease agreement will be assumed by the purchaser.

7.12 Legal Proceedings

During the ordinary course of its business activities, the Group is regularly involved in legal proceedings, both as a claimant and as a defendant. These proceedings are routine matters of labor and other laws, and do not have a significant impact on the Group's business.

As of the date of this prospectus, Rocket Internet SE and the Group were not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Rocket Internet SE is aware), during a period covering the previous twelve months which may have, or have had in the recent past significant effects on Rocket Internet SE and/or the Group's financial position or profitability.

8. CORPORATE STRUCTURE, FINANCING ROUNDS AND CASH MANAGEMENT

8.1 Overview

The companies in the Rocket Internet network are relatively young businesses which we seek to expand. They typically have a net cash outflow from operating activities and need capital for their day-to-day operations and for the implementation of their growth plans. Accordingly, the companies in the Rocket Internet network are dependent upon regular external funding, which is effected either by capital injections from Rocket Internet SE in the form of equity capital contributions or shareholder loans or through equity capital financing rounds at various levels of our organization. The funding requirements of the network companies provide us with a powerful tool to participate in their development and operations.

In order to finance these capital injections, we have raised capital at the level of Rocket Internet SE, most notably in Rocket Internet SE's initial public offering in 2014 and in a capital increase in 2015. Rocket Internet SE also placed Convertible Bonds in 2015, which it partially repurchased in 2016. In addition, co-funding commitments from third-party investors were secured through the establishment of the RICP. Rocket Internet SE may engage in additional financing measures in the future.

We also raise equity capital at the level of our Regional Internet Groups. Regional Internet Groups allow investors to invest indirectly in a large number of companies that operate in a specific geographic area. Investors in Regional Internet Groups, such as MTN, Ooredoo, Millicom, Orange and AXA typically provide us with important synergies, as these investors in Regional Internet Groups bring in the additional expertise and support of strong regional partners.

In addition, we raise capital at the level of individual companies or groups of companies, such as Global Fashion Group. In some cases, we also raise capital at the level of the local operating entity.

Unless otherwise specified, the last financing round valuations shown in this prospectus are calculated including the investments committed or made in such financing round (*i.e.*, post-money). For each financing round, we, the other shareholders in the relevant entity and the relevant investor determined a valuation for the relevant entity. These valuations were often based on limited operational and historical information about the relevant entity, and reflect the specific circumstances under which the relevant investment in the company was made, including the specific terms of the investments, such as liquidation preferences, and the insights, assumptions and expectations of the relevant investors at that point in time. Some of these valuations are no longer recent. Furthermore, circumstances under which the valuations were made may have changed, including as a result of changes in foreign exchange rates, and some of the companies in the Rocket Internet network may not have performed in accordance with the expectations of investors at the time of the relevant financing round and may fail to do so in the future. In addition, certain of our financing rounds may not represent the fair value of the companies in the Rocket Internet network as they were completed with affiliates, or with investors that had already invested in Rocket Internet SE or the companies in the Rocket Internet network, at less than arm's length. The last financing round valuations we have disclosed may therefore exceed the price that third parties would be willing to pay for the relevant investment in a future financing round, a potential exit or a potential initial public offering, even one that occurred shortly after the date of the relevant last financing round. We have experienced new rounds of financing that have taken place at lower valuations than in preceding financing rounds (so called down rounds). For example, the Global Fashion Group, in which Rocket Internet SE currently holds a direct and indirect stake of 20.6% (beneficial interest including RICP; following completion of last management roll-over steps agreed in the context of creation of the Global Fashion Group, Rocket Internet's direct and indirect stake after the transaction will decrease to 20.4% (beneficial interest including RICP)), had a last financing round valuation of €3.04 billion just before the last financing round, which took place in July 2016 and which valued it at only €1.03 billion post the €330 million capital increase (*i.e.*, post-money).

The co-investors in our Regional Internet Groups may have valued them higher based on the expectation of synergies from their investments that would benefit their particular business. In addition, liquidation preferences granted to later investors in the companies in the Rocket Internet network may impact the value of Rocket Internet SE's direct and indirect interests in these companies. Consequently, the valuations of Rocket Internet SE and the companies in the Rocket Internet network may not reflect their past, present or future fair values from the perspective of Rocket Internet SE or at all, or any potentially achievable fair value in the future. The market valuation of Rocket Internet SE (*i.e.*, the stock price of Rocket Internet SE) indicates that, at least currently, the valuation attributed to Rocket Internet SE is significantly lower than the total valuations of the companies that make up the Rocket Internet network. The divergence between the valuation of Rocket Internet SE and the valuation of the companies that make up the Rocket Internet network may continue in the future and even become more pronounced. For more information, see "*1.1.1 We disclose in this prospectus valuations derived from investments in the companies in the Rocket Internet network based on the last financing rounds and not derived from our consolidated financial statements. These valuations may not reflect the past, present or future fair values of the companies in the Rocket Internet network and may not be indicative of the total value of Rocket Internet SE. Accordingly, potential investors should not place undue reliance on these valuations.*".

Last financing round valuations are based on the respective latest third-party financing rounds, secondary transactions or, with respect to some of the stakes in the category New Businesses & Investments, the values assigned to them in connection with their contribution to Rocket Internet SE. The valuations presented in this prospectus are calculated on the basis of financing commitments, irrespective of whether the commitments have already been fully paid in. The valuations include the investments of the latest financing rounds on the assumption that all commitments have been fulfilled entirely, *i.e.*, they represent post-money valuations. Last financing round valuations are unaudited numbers that are independent of the accounting treatment of our network of companies under German GAAP or IFRS.

In connection with a financing round, the new investor, the investee and the shareholders of the investee typically enter into an investment agreement and a shareholders' agreement.

Typically the investment agreement provides for full payment of the notional amount of the shares acquired with the balance of the investment amount being paid into the capital reserves of the investee. The balance of the investment amount is typically paid in at the time of closing of the financing round. Some agreements provide that the balance of the investment amount is only paid in installments, usually upon capital calls.

The shareholders' agreements set out governance rights, which we view as an important instrument to steer our governance rights in our organization, and certain economic rights. These economic rights typically include a liquidation preference that allows investors who invested in later financing rounds at higher valuations to recoup their investments before other investors in case of a change of control or liquidation of the investee. In some circumstances, we also enter into side letters that address specific rights of a subgroup of shareholders.

We regularly review whether our corporate structure is in line with our operational needs and the investment preferences of our third-party investors. We have in the past adapted our structures and we expect to continue to do so in the future as the companies in the Rocket Internet network mature. For example, we have combined our six existing fashion brands (Dafiti, Lamoda, Namshi, Zalora, The Iconic, Jabong) into a single Global Fashion Group. In addition, we have simplified our structure through dissolution of other intermediate holding companies.

8.2 Recent Transactions and Financing Rounds

In 2016, the following transactions and financing rounds significantly affected the Rocket Internet network of companies:

In February 2016, Rocket Internet SE sold certain non-core food operations owned by Rocket Internet SE and foodpanda to JustEat plc for €125 million in cash. The sale included food businesses in Spain (La Nevera Roja), Italy (PizzaBo, hellofood Italy), Brazil (Hellofood Brazil) and Mexico (hellofood Mexico).

In the six months ended June 30, 2016, Africa Internet Group closed several financing rounds in which it secured investments of over €360 million from existing investors, including Rocket Internet SE, and new investors, such as Goldman Sachs, AXA and Orange. Rocket Internet SE invested in total €25 million in these financing rounds. In June 2016, Africa Internet Group completed the roll-up of all equity participations in Jumia (Africa eCommerce Holding; subsequently merged into Africa Internet Holding GmbH). As of August 31, 2016, Africa Internet Group had a post-money valuation at €1.24 billion. In the preceding financing round, which took place in December 2013, Africa Internet Group had a post-money valuation at €0.50 billion.

In April 2016, Rocket Internet SE agreed to sell a 9.1% stake (on a fully diluted basis) in Lazada for a gross consideration of USD 137 million to Alibaba. The sale was part of a larger transaction, in which most of Lazada's shareholders sold parts of their stakes in Lazada to Alibaba. Alibaba also committed to invest USD 500 million into Lazada. As a result of the transaction, Alibaba will become the controlling shareholder of Lazada. Lazada was valued at USD 1.5 billion in the transaction (before the Alibaba investment into Lazada of USD 500 million). Rocket Internet SE's remaining fully diluted stake after the transaction and taking into account Alibaba's investment of new funds is 8.8%. Shareholders of Lazada, including Rocket Internet SE, also entered into a put-call arrangement with Alibaba, giving Alibaba the right to purchase, and Lazada's shareholders the right to sell collectively, their remaining stakes to Alibaba at fair market value within 12 to 18 months following the closing of the transaction.

On June 30, 2016, Rocket Internet SE, as an indirect shareholder of DHH, granted DHH two shareholder loans in an aggregate amount of up to €60 million, which may be drawn down by DHH in tranches. As of the date of this prospectus, DHH has drawn down €30 million.

In July 2016, Global Fashion Group announced a funding round, which was subscribed by existing investors including Rocket Internet SE and RICP. Rocket Internet invested €18.9 million in cash in July 2016 and received shares from conversion of existing convertible preference shares. The transaction values Global Fashion Group at €1.03 billion following the investment (post-money), compared to a post-money valuation of €3.04 billion prior to this financing round. Rocket Internet's direct and indirect stake after the transaction is 20.6% (beneficial interests including RICP). Following completion of last management roll-over steps agreed in the context of creation of the Global Fashion Group, Rocket Internet's direct and indirect stake after the transaction will decrease to 20.4% (beneficial interests including RICP).

Following a strategic review of its Indian operations, the board of Global Fashion Group concluded that Jabong's position would be best served through a business combination with a local player. In July 2016, Global Fashion Group entered into a definitive agreement to sell Jabong to FK Myntra Holdings Private Limited, a member of the Flipkart Group, for USD 70 million in cash. The transaction closed on August 2, 2016.

In August 2016, Linio raised up to €50 million in a new financing round. In this financing round, Linio was valued at €100 million pre-money (including agreed roll-up steps), corresponding to about one-fourth of Linio's valuation immediately before this financing round. Rocket Internet did not participate in Linio's current financing round. As a result, Rocket Internet SE's stake in Linio will decrease to 4.9% on a fully diluted basis after the issuance of anti-dilution shares to more senior ranking investors and assuming draw down of the full investment amount of €50 million. The Group recognized impairment losses attributable to Linio of €58.7 million in the six months ended June 30, 2016, as the financing round constituted a subsequent event.

In September 2016, Home24 raised €20 million in a financing round. In this financing round, Home24 was valued at €420 million post-money, compared to a post-money valuation of €981 million prior to this financing round. Rocket Internet participated in Home24's current financing round. As a result, Rocket Internet SE's direct and indirect stake in Home24 amounts to 42.9% (beneficial interest including RICP).

8.3 Investment Agreements and Shareholders' Agreements

The following is a summary of principal terms of the investment agreements and shareholders' agreements we have entered into at the level of our Regional Internet Groups and of our individual companies. Individual agreements may contain terms that differ in certain respects from those summarized below.

8.3.1 Investment Agreements

The investment agreements relating to our Regional Internet Groups and individual companies set out the rights and duties of new investors and existing shareholders, such as the number of new shares to be subscribed by the new investor, the type and amount of the investor's contribution, as well as representations and warranties by the existing shareholders and the respective company. In some cases, in particular with respect to our Regional Internet Groups, the new investor is not required to make its entire contribution up-front but rather in consecutive payments which depend on the financing needs of, and the achievement of certain milestones by, the relevant company. Typical provisions are that capital calls may only be issued if the funds are required pursuant to an annual budget and/or a business plan and the level of cash falls below a predefined threshold or if financial indicators, such as minimum net revenue and EBITDA thresholds, are achieved. In addition, in some cases investors were given the option to make further investments at a later point in time, typically at the same valuation at which the original investment was made.

8.3.2 Shareholders' Agreements

The shareholders' agreements to which we are a party are important instruments for steering the governance of the Rocket Internet network of companies and the economic rights among the various investors in these entities.

8.3.2.1 Corporate Governance

Our shareholders' agreements typically specify that a number of important decisions need to be taken by the shareholders. We refer to these important decisions as reserved matters. Often the shareholders' agreements distinguish between investors and non-investors and require a qualified majority of investors and, in certain cases, a unanimous vote of the investors for decisions regarding reserved matters. Sometimes the decision on reserved matters is conferred on an advisory board. This means that Rocket Internet SE typically cannot take or block decisions on reserved matters alone, but needs the support of one or more other investors. Historically, Rocket Internet SE has been able to build a consensus with other shareholders. The reserved matters include fundamental decisions about the relevant entities, its operative and strategic plans and important transactions that exceed certain thresholds.

8.3.2.2 Liquidation Preference

The shareholders' agreements include certain waterfall provisions, which stipulate the order for distributing proceeds from a transfer of shares that results in, or is deemed to be, a change of control or in case of liquidation to the shareholders. Typically, if triggered, the liquidation preference entitles investors who invested in later financing rounds to recoup their investment or a multiple thereof before other shareholders are paid. Investors who invested in the early stage of a company, are usually paid last. This means that we may receive no proceeds or only a share in the proceeds that is significantly lower than the proceeds to which we would be entitled based solely on our direct and indirect interest in the relevant network company. This may even be the case if the proceeds exceed the last financing round valuation. This is due to arrangements in the relevant investment and/or shareholders' agreement which stipulate that some investors (typically investors who invested in later financing rounds), receive a share in the proceeds before more junior ranking investors (which typically includes us) are paid. Unless the proceeds from such an event are high enough so that the *pro rata* distribution of proceeds to all shareholders in the relevant network company based on their participation in such event (disregarding the liquidation preference) would grant investors that rank senior to us an amount of proceeds that equals or exceeds the preference amount of these investors under the liquidation preference, we will receive a share in the proceeds that is lower than our beneficial interest in the relevant network company or may even not receive a share in the proceeds at all. See also "*1.1.5 Most shareholders' agreements relating to the companies in the Rocket Internet network contain liquidation preferences for other investors, which may result in a disproportionate decrease in the value of Rocket Internet SE's direct and indirect stakes in these companies as well as disproportionately low exit proceeds for us. In addition, later financing rounds effected at a lower valuation may lead to a dilution of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network due to down-round protection rights granted to other shareholders in the relevant network company. Further, a number of our shareholders' agreements contain so-called drag-along rights, which give the major shareholders of the relevant company the right to require the other shareholders to sell their shares in the same transaction and at the same conditions.*".

8.3.2.3 Transfers

The shareholders' agreements typically contain a number of other provisions relating to transfers of shares in the Regional Internet Group or the individual company:

- Transfer Restrictions. Most of the shareholders' agreements of our Regional Internet Groups and individual companies contain provisions that restrict transfers of shares of the group or company. Typically, transfers of shares require the approval of a qualified majority of shareholders. Certain transfers are exempt from this approval requirement (*e.g.*, transfers to an affiliate of the transferring shareholder).

- Right of First Purchase. The shareholders' agreements typically provide for a right of first purchase. This means that a shareholder who intends to transfer its shares is required to inform the non-transferring shareholders about its intention and the key terms of the envisaged transfer. The non-transferring shareholders are entitled to purchase such shares on a *pro rata* basis on the same terms as the intended transferee ("**Right of First Purchase**"). If not all non-transferring shareholders exercise their Right of First Purchase, the shareholders who did exercise their right may step in for them.

- Tag Along. In case of a transfer of shares, the shareholders of the relevant entity have the right to sell and transfer their respective shares, in full or in part, on the same terms ("**Tag Along Right**"). The Tag Along Right is in certain cases limited to shareholders holding more than 20% in the relevant company. To the extent the prospective purchaser does not wish to purchase all shares subject to the Tag Along Right, the shares are sold on a *pro rata* basis. Under certain circumstances, such as a sale to a competitor or a transfer of more than 50% of the shares, the transfer may only proceed, however, if the buyer is willing to purchase all of the shares of the company.

- Drag Along. If a transfer of shares is approved by a qualified majority of shareholders, the transferring shareholder may require all other shareholders to transfer their shares in the company on the same terms ("**Drag Along Right**"). The exercise of the Drag Along Right generally requires, among other things, that the prospective purchaser is willing to acquire 100% of the company's shares and that the purchase price exceeds the total investment of the major shareholders plus interest in the range of 10% to 20% per year on their investment.

8.3.2.4 Investment Preference

If the company requires further capital contributions, each major shareholder can request that the major shareholders enter into talks about potential further capital contributions to be made either by them or by third parties. In case a third party offers to invest in the respective companies with shareholders' approval (certain shareholders' agreements require approval by a majority of the major shareholders), the major shareholders (and in certain cases other shareholders) are entitled to effect the investment instead of the third party (certain shareholders' agreements allow for a partial replacement). To the extent that more than one existing shareholder intends to replace the third-party investment the replacement is *pro rata*-based.

8.3.3 Specifics for Selected Portfolio Companies

A number of provisions in the investment and shareholders' agreements of our Selected Portfolio Companies deviate from the typical clauses described above. In the following paragraphs, we present examples of these deviations.

8.3.3.1 Westwing Group GmbH

In April 2016, Westwing Group GmbH was provided with cash investments for which the investors (each, a "**Warrant Holder**") acquired subscription rights for a certain number of new shares in Westwing Group GmbH upon the occurrence of certain exercise events ("**Warrant**"). The Warrant includes a so-called time-based discount of 25% p.a. ("**Time-Based Discount**"). The Warrant, including the Time-Based Discount, may be converted into new shares in Westwing Group GmbH at a valuation corresponding to the lower of (i) the valuation underlying the latest financing round, and (ii) the valuation underlying the respective exercise event, in each case less a discount of 35%.

Should Westwing Group GmbH issue further instruments convertible into equity or equity-linked instruments ("**New Equity-Related Instruments**"), each Warrant Holder shall be entitled to request from Westwing Group GmbH to convert its respective Warrant into the New Equity-Related Instrument, bearing the same terms and conditions as agreed for the New Equity-Related Instruments and ranking *pari-passu* to all other New Equity-Related Instruments.

Deviating from the liquidation preference typically contained in the shareholders' agreements, each Warrant Holder will first receive an amount equal to the amount it had to spend to acquire its Warrant. Thereafter, certain managers will receive a special remuneration. Then, the Warrant Holders shall receive an amount equal to the Time-Based Discount. Remaining amounts, if any, will be distributed on four further levels based on the typical distribution described above.

8.3.3.2 Global Fashion Group S.A.

In July 2016, Global Fashion Group S.A. issued convertible preference shares. These convertible preference shares grant a preferred and annually compounding return of 20% on their subscription price in addition to the same entitlement to dividends, if any, as the common shares. The return component will not be paid out, but will accrue to the convertible preference shares and will be taken into account for the calculation of the amount of common shares to be issued upon the occurrence of certain events. In addition, the convertible preference shares bear a 1.5x liquidation preference, *i.e.* investors holding convertible preference shares are entitled to receive an amount equal to the share price paid for each convertible preference share multiplied by 1.5 before any other shareholder is paid.

Should Global Fashion Group S.A. issue new equity instruments on more favorable terms than those of the convertible preference shares, each holder of convertible preference shares may request that its convertible preference shares be converted into these new securities. The number of new shares to be issued will be determined by dividing the aggregate subscription price of the convertible shares held by the relevant holder by the price per new security.

The shareholders' agreement of Global Fashion Group S.A. distinguishes between investors and non-investors and provides for certain consent requirements and veto rights of those investors whose aggregate investment in Global Fashion Group S.A. exceeds a certain amount (so-called significant investors). The consent of such significant investors is required if the board of the Global Fashion Group S.A. decides to proceed and agree upon the final terms and timing of an initial public offering of Global Fashion Group S.A. or its subsidiaries. Furthermore, such consent is necessary in case of share transfers upon the exercise of drag along rights. The shareholders' agreement of Global Fashion Group S.A. requires an approval of all significant investors for decisions regarding reserved matters and any changes to certain central matters. In addition, such significant investors may nominate more than two directors of the board of directors.

8.3.3.3 HelloFresh AG

In May 2016, Rocket Internet SE granted a shareholder loan to HelloFresh AG and is entitled to receive all amounts outstanding under the loan agreement prior to the fulfilment of any liquidation preferences of other investors.

8.3.3.4 New TIN Linio II GmbH

The liquidation preference rules set forth in New TIN Linio II GmbH’s shareholders’ agreement deviate from the liquidation preference typically contained in the shareholders’ agreements. Active management will first receive a share in any exit proceeds. Thereafter, investors having participated in Linio’s last financing round will receive an amount equal to 3.25 times the price paid for the shares subscribed by them in the last financing round or (if higher) an amount sufficient to yield an annual cumulative return of 30% on the share price they paid. Further, shares issued in the course of previous financing rounds bear a 1.5-2.25 times liquidation preference. Thereafter, any remaining amounts will be distributed *pro rata* among the investors. Any amounts received by an investor prior to the *pro rata* allocation will not be deducted from such investor’s *pro rata* share. All shareholders who did not participate in the last financing round, which includes Rocket Internet, forfeited a certain portion of their liquidation preference.

Should New TIN Linio II GmbH issue new equity instruments on more favorable terms than those of the last financing round, each holder of shares issued in the last financing round may request that such shares be converted into these new securities. The number of new shares to be issued will be determined by dividing the aggregate subscription price of the shares acquired in the last financing round by the relevant holder by the price per new security.

8.3.4 Specifics for Regional Internet Groups

In addition to some of the typical provisions described above, the shareholders agreements relating to our Regional Internet Groups contain specific provisions relating to a change of control of Rocket Internet SE, exclusivity and non-compete obligations, which are summarized below.

8.3.4.1 Rocket Internet Exclusivity

The shareholders’ agreements of our Regional Internet Groups contain a regional exclusivity clause. Rocket Internet SE has to present all investment or business opportunities it pursues or intends to develop in the region of the Regional Internet Group that are in the fields of internet, telecom, technology or new media to the Regional Internet Group first and to give the Regional Internet Group the right to develop the opportunity through either an investment or operational participation. The end of the exclusivity differs from Regional Internet Group to Regional Internet Group, with the latest end date being September 30, 2019. After the end of the exclusivity, the other shareholders in the Regional Internet Group are typically given a preferential right to provide project financing.

8.3.4.2 Rocket Internet Non-Compete

The shareholders' agreements of our Regional Internet Groups contain a non-compete clause relating to activities of Rocket Internet SE and its worldwide affiliates in the region of the Regional Internet Group. The non-compete provisions expire between September 2018 and December 2018.

8.3.4.3 Obligation to Launch New Businesses

Until September 2018, the other shareholders of certain of our Regional Internet Groups are entitled to request from Rocket Internet SE that the Regional Internet Groups launch at least five or six particular internet-based businesses in their regions per calendar year and that the respective Regional Internet Group provides all necessary means for such launches. If Rocket Internet SE believes that the planned internet-based business will not be successful, the shareholder requesting such launch has to provide the necessary financial means.

8.4 Valuation

The following table provides summarized information concerning our Selected Portfolio Companies and Regional Internet Groups. Last financing round valuations are based on the respective latest third-party financing rounds, secondary transactions or, with respect to some of the stakes in the category New Businesses & Investments, the values assigned to them in connection with their contribution to Rocket Internet SE. The valuations presented in this prospectus are calculated on the basis of financing commitments, irrespective of whether the commitments have already been fully paid in. The valuations include the investments of the latest financing rounds on the assumption that all commitments have been fulfilled entirely, *i.e.*, they represent post-money valuations. Last financing round valuations are unaudited numbers that are independent of the accounting treatment of our network of companies under German GAAP or IFRS.

Unless otherwise specified, the last financing round valuations are calculated including the investments committed or made in such financing round (*i.e.*, post-money). In a post-money calculation, the last financing round valuation is calculated based on the investment amount divided by the stake acquired or the price agreed per share multiplied by the number of total shares following the relevant financing round.

The valuations shown were often based on limited operational and historical information about the relevant entity, and reflect the specific circumstances under which the relevant investment in the company was made, including the specific terms of the investments, such as liquidation preferences, and the insights, assumptions and expectations of the relevant investors at that point in time. Some of these valuations are no longer recent. Furthermore, circumstances under which the valuations were made may have changed, including as a result of changes in foreign exchange rates, and some of the companies in the Rocket Internet network may not have performed in accordance with the expectations of investors at the time of the relevant financing round and may fail to do so in the future. In addition, certain of our financing rounds may not represent the fair value of the companies in the Rocket Internet network as they were completed with affiliates, or with investors that had already invested in Rocket Internet SE or the companies in the Rocket Internet network, at less than arm's length. The last financing round valuations we have disclosed may therefore exceed the price that third parties would be willing to pay for the relevant investment in a future financing round, a potential exit or a potential initial public offering, even one that occurred shortly after the date of the relevant last financing round.

In the event of an exit from a network company, such as a sale of a network company to a third party, we may receive no proceeds or only a share in the proceeds that is significantly lower than the proceeds to which we would be entitled based solely on our direct and indirect interest in the relevant network company. This may even be the case if the proceeds exceed the last financing round valuation. This is due to arrangements in the relevant investment and/or shareholders' agreement which stipulate that some investors (typically investors who invested in later financing rounds), receive a share in the proceeds before more junior ranking investors (which typically includes us) are paid. Unless the proceeds from such an event are high enough so that the *pro rata* distribution of proceeds to all shareholders in the relevant network company based on their participation in such event (disregarding the liquidation preference) would grant investors that rank senior to us an amount of proceeds that equals or exceeds the preference amount of these investors under the liquidation preference, we will receive a share in the proceeds that is lower than our beneficial interest in the relevant network company or may even not receive a share in the proceeds at all.

Ownership stakes are shown on a non-fully diluted basis (unless stated otherwise). Certain of our shareholders' agreements relating to the companies in the Rocket Internet network also provide investors with so-called down-round protections rights. These rights entitle the relevant investors to receive compensation shares if a future financing round values the company lower than the valuation during the round in which the investors originally invested. Because this compensation is paid in the form of shares in the relevant company, the interest of investors that do not receive compensation shares or that receive only a small number of shares compared to their overall holding, which typically includes Rocket Internet SE, will be diluted if these rights are triggered. In most of our companies other shareholders or other stakeholders have or will have the right to request shares to be issued to them at a value lower than fair market value or even at nominal value. Instances in which shareholders may get further shares could be in addition to financing rounds at a lower valuation than previous financing rounds, i.e. downrounds, in which case certain shareholders may even be allocated a multiple of their respective original investment as preferred return, the breach of warranties given by the relevant company to other investors in connection with their investment, the conversion of shareholder loans or the contribution by employees or other parties of their shares or interests in subsidiaries of the relevant company against issuance of new shares in the company (i.e. roll-up). Further economic dilution might result from liquidation preferences, phantom shares, options, warrants and minority stakes or interests held by employees and other parties in subsidiaries of the relevant company. In general, we are often not in the position to block the issuance of further shares in the relevant company, which is why our economic interest is subject to continuous changes.

For risks associated with last financing round valuations, see "*1.1.1 We disclose in this prospectus valuations derived from investments in the companies in the Rocket Internet network based on the last financing rounds and not derived from our consolidated financial statements. These valuations may not reflect the past, present or future fair values of the companies in the Rocket Internet network and may not be indicative of the total value of Rocket Internet SE. Accordingly, potential investors should not place undue reliance on these valuations.*", "*1.1.3 Nearly all of the companies in the Rocket Internet network have limited operating histories, are significantly loss making, have a negative operating cash flow, require significant capital expenditure and may never be profitable or cash generating.*", "*1.1.5 Most shareholders' agreements relating to the companies in the Rocket Internet network contain liquidation preferences for other investors, which may result in a disproportionate decrease in the value of Rocket Internet SE's direct and indirect stakes in these companies as well as disproportionately low exit proceeds for us. In addition, later financing rounds effected at a lower valuation may lead to a dilution of Rocket Internet SE's direct and indirect interests in the companies in the Rocket Internet network due to down-round protection rights granted to other shareholders in the relevant network company. Further, a number of our shareholders' agreements contain so-called drag-along rights, which give the major shareholders of the relevant company the right to require the other shareholders to sell their shares in the same transaction and at the same conditions.*".

Company	Segment	Foundation (year)[1]	Date of last financing round (notarization date)[2]	Stake acquired in last financing round (last closing)[2]	Last financing round valuation (€ million)[3]	Current stake of Rocket Internet SE (%)[4][5]	Stake-weighted last financing round valuation (€ million)[6]
					(unaudited)		
HelloFresh	Food & Groceries	2011	April 2016	0.8%	2,625	55.6%	1,458
Delivery Hero[7][8]	Food & Groceries	2011	December 2015	0.7%	2,892	37.3%	1,079
foodpanda[8]	Food & Groceries	2012	November 2015	1.9%	570	49.1%	280
Global Fashion Group[9]	Fashion	2014	July 2016	33.4%	1,032	20.4%	210
Westwing[10]	Home & Living	2011	March 2015	6.3%	479	31.8%	153
Home24[11]	Home & Living	2009	September 2016	4.8%	420	42.9%	180
Africa Internet Group[12]	Regional Internet Groups	2012	April 2016	4.7%	1,238	28.4%	351
Asia Pacific Internet Group	Regional Internet Groups	2013	April 2014	50.0%	360	50.0%	180
Middle East Internet Group	Regional Internet Groups	2013	March 2015	50.0%	160	50.0%	80

(1) Based on Commercial Registry entry.

(2) Last closing of last financing round comprising investments made at the current price per share.

(3) Last financing round valuations are subject to significant limitations and should not be read as an indication for the price that third parties would be willing to pay in a future financing round, a potential exit or a potential initial public offering, even one that occurred shortly after the date of the relevant last financing round. Please refer to the paragraphs preceding this table and the risk factors referenced there for further limitations and risks associated with last financing round valuations.

(4) Direct and indirect stake as of August 31, 2016 (unless stated otherwise).

(5) Ownership stakes are shown on a non-fully diluted basis (unless stated otherwise). **Certain of our shareholders' agreements relating to the companies in the Rocket Internet network also provide investors with so-called down-round protections rights. These rights entitle the relevant investors to receive compensation shares if a future financing round values the company lower than the valuation during the round in which the investors originally invested. Because this compensation is paid in the form of shares in the relevant company, the interest of investors that do not receive compensation shares or that receive only a small number of shares compared to their overall holding, which typically includes Rocket Internet SE, will be diluted if these rights are triggered. Please refer to the paragraphs preceding this table and the risk factors referenced there for further limitations and risks associated with last financing round valuations.** The participation quotas shown may differ compared to respective figures shown in the mandatory part of Rocket Internet SE's annual report 2014 and 2015 or other financial statements, reports or notes of Rocket Internet SE for reasons other than additional financing rounds (*i.e.*, reflection of different points in time). Such non-timing differences can be due to a number of reasons, such as the consideration of unallocated trust shares, which have for accounting purposes been allocated to the Group, the elimination of treasury shares when calculating ownership interests for accounting purposes as well as agreements in which signing and closing do not occur simultaneously.

(6) Stake-weighted last financing round valuations are not indicative for the proceeds we may receive in the event of an exit from a network company, such as a sale of a network company to a third party. In such an exit, we may receive no proceeds or only a share in the proceeds that is significantly lower than the stake-weighted last financing round valuation. The market valuation of Rocket Internet SE (*i.e.*, the stock price of Rocket Internet SE) indicates that, at least currently, the valuation attributed to Rocket Internet SE is significantly lower than the total valuations of the companies that make up the Rocket Internet network. The divergence between the valuation of Rocket Internet SE and the valuation of the companies that make up the Rocket Internet network may continue in the future and even become more pronounced. Please refer to the paragraphs preceding this table and the risk factors referenced there for further limitations and risks associated with last financing round valuations.

(7) The stake in Delivery Hero is shown on a fully diluted basis.

(8) Delivery Hero and foodpanda are held through Global Online Takeaway Group S.A., of which Rocket Internet SE directly holds 100% of the equity.

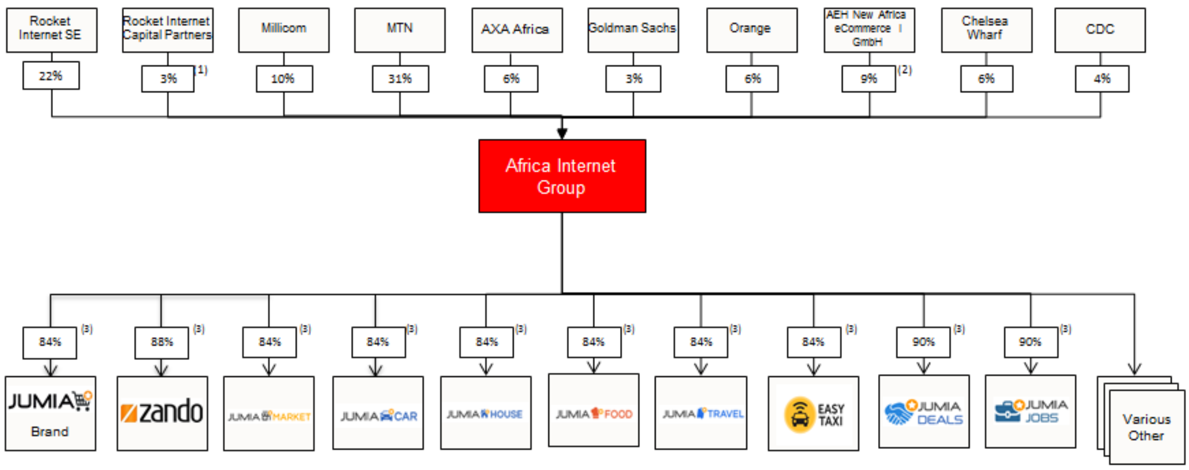
(9) Shows direct and indirect stake of Rocket Internet SE in Global Fashion Group. Before completion of last management roll-over steps agreed in the context of creation of Global Fashion Group, Rocket Internet's direct and indirect stake after the transaction is 20.6% (beneficial interest including RICP).
(10) Westwing is held indirectly through Jade 1317. GmbH ("**Westwing SPV**") (24.8%) and directly (7.0%). Rocket Internet SE holds a direct stake of 100% in Westwing SPV.
(11) Shows Rocket Internet SE's direct and indirect stake in Home24 after completion of the €20 million financing round that took place in September 2016 (beneficial interest including RICP). As of August 31, 2016, Rocket Internet SE held a stake of 44.6% in Home24.
(12) Africa Internet Group is held through AEH New Africa eCommerce I GmbH, RICP and directly (21.7%). AEH New Africa eCommerce II GmbH is the sole shareholder of AEH New Africa eCommerce I GmbH. Rocket Internet SE holds a direct stake of 71.2% in AEH New Africa eCommerce II GmbH. AEH New Africa eCommerce I GmbH in turn holds 8.9% in Africa Internet Group. In August 2016, Africa eCommerce Holding GmbH, the holding company of Jumia, was merged into Africa Internet Holding GmbH.

8.5 Regional Internet Groups

Rocket Internet SE holds a number of companies indirectly through Regional Internet Groups, allowing investors to invest into a portfolio of different companies. We have set up Regional Internet Groups that allow us to partner with strategic investors that have a strong position in a particular region. Both the strategic investors and we expect to profit from synergies that can arise out of our cooperation. Currently, we have three Regional Internet Groups. They cover Africa, the Middle East and Asia Pacific.

8.5.1 Africa Internet Group

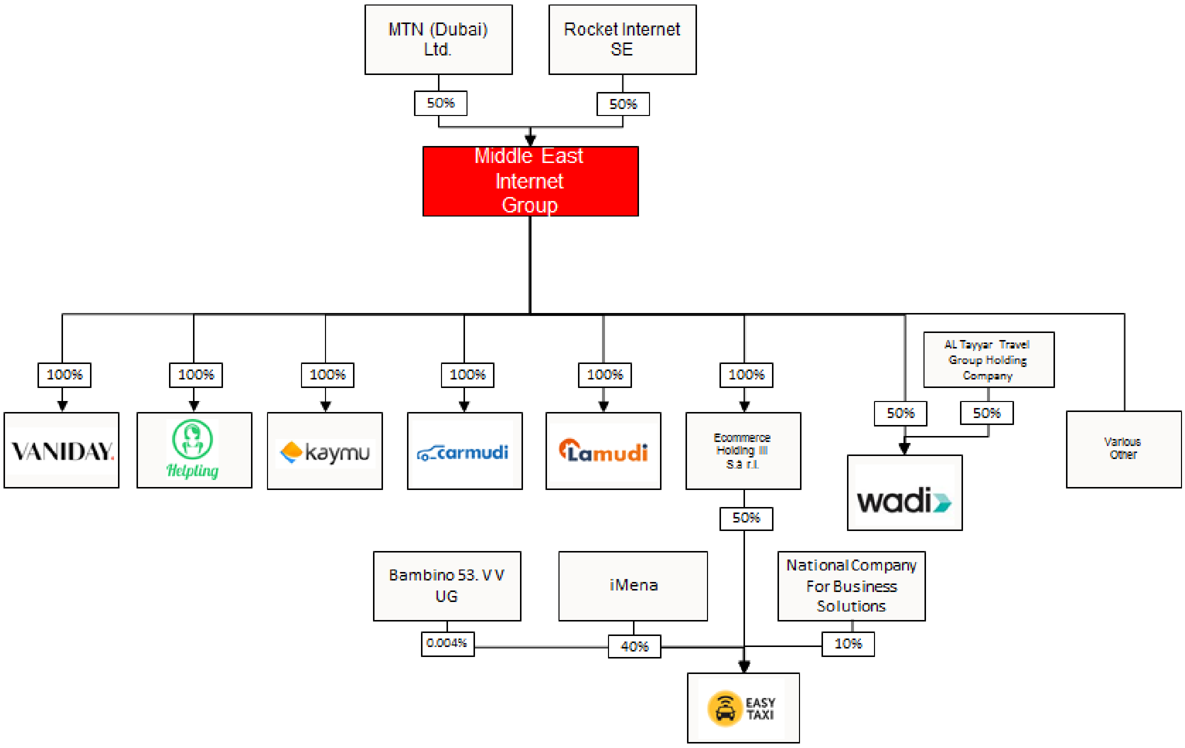
Africa Internet Group groups Rocket Internet SE's stakes in a number of our e-commerce, marketplace and classifieds platforms that are active in Africa. The following chart shows Africa Internet Group's shareholders and its portfolio as of August 31, 2016:



(1) Rocket Internet SE holds 10.0% of commitments of Rocket Internet Capital Partners.
(2) Rocket Internet SE indirectly holds 71.2% of the registered share capital of AEH New Africa eCommerce I GmbH.
(3) The remaining shares are held by Bambino 53. V V UG (haftungsbeschränkt), acting as trustee for certain senior management members, and some members of the senior management team directly.

8.5.2 *Middle East Internet Group*

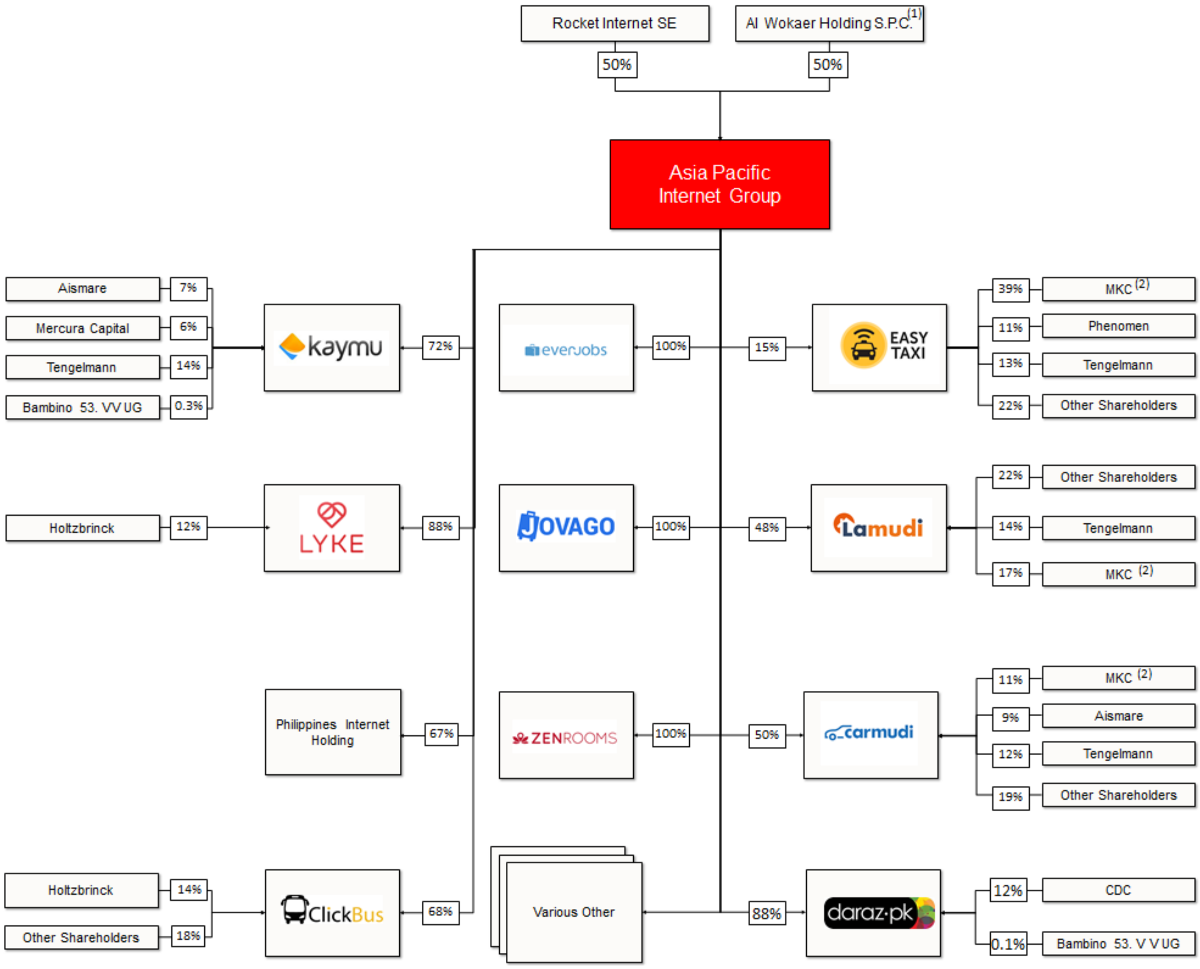
Middle East Internet Group groups Rocket Internet SE's stakes in a number of our e-commerce, marketplace and classifieds platforms that are active in the Middle East. The following chart shows Middle East Internet Group's shareholders and its portfolio as of August 31, 2016:



A side agreement between Oliver Samwer and MTN (Dubai) Limited extends the exclusivity and non-compete arrangements described above under "*8.3.4 Specifics for Regional Internet Groups*" to Oliver Samwer.

8.5.3 Asia Pacific Internet Group

Asia Pacific Internet Group groups Rocket Internet SE's stakes in a number of our e-commerce, marketplace, classifieds and travel platforms that are active in the Asia-Pacific region. The following chart shows Asia Pacific Internet Group's shareholders and its portfolio as of August 31, 2016:



(1) Al Wokaer Holding S.P.C, is a wholly owned subsidiary of Ooredoo.
(2) Rocket Internet SE holds 65% of the registered share capital of MKC Brillant.

8.6 Cash Requirements and Cash Position

We do not pool our cash and typically keep the cash of our different entities separate. Accordingly, our cash in bank, committed investment inflows or cash facilities is dispersed over a large number of entities.

As of June 30, 2016, on an unconsolidated basis, Rocket Internet SE had cash and cash equivalents of €820.9 million. On a consolidated basis, the cash and cash equivalents of the Group amounted to €1,682.5 million as of the same date. Presently, Rocket Internet SE does not intend to execute further dilutive capital increases at the Group level. As most of the companies in the Rocket Internet network have negative cash flows from operating activities and a negative cash flows from investing activities, we may depend on external capital resources in the long term.

9. REGULATORY ENVIRONMENT

Our business activities are subject to various regulatory requirements under European law, applicable national laws of the European countries, as well as of non-European countries (laws, regulations, administrative rules, judicial and regulatory orders, etc.). These relate especially to intellectual property law, data protection, cybersecurity, consumer protection and product safety.

The following provides a brief overview of selected regulations with a focus on European regulations that are applicable to our Group's business activities. In terms of the regulatory fields described below, the EU sets high standards in comparison to other jurisdictions in which our Group operates its business. European regulations (*EU-Verordnungen*) apply directly in all member states of the European Union (the "**EU Member States**"). As a result, our business is subject to these rules in all EU Member States. In contrast, European directives (*EU-Richtlinien*), while binding EU Member States as to the result to be achieved, need to be implemented into national law. Hence, regarding those standards contained in European directives that are applicable to our business, national implementing rules can differ slightly from one EU Member State to another. To the extent governed by European regulations or national laws that are based on European directives, the regulatory environment in most other EU Member States and the member states of the European Economic Area is similar to the regulatory framework in Germany. Rocket Internet SE holds minority shareholdings in various companies, and it therefore may not be able to control compliance of these companies with legal requirements. The regulatory requirements applicable to our business activities are subject to change, as they are continuously adapted at the national, European and international levels.

A potential failure to meet legal requirements might lead to costs and/or sanctions. This may negatively impact the reputation and general business activities, as well as the net assets, financial position and results of operations of our Group.

9.1 Trademarks and Internet Domain Names

The registration and protection of trademarks is regulated by international, European and national legislation. At international level, trademark registration and protection is, *inter alia*, governed by the Madrid Agreement Concerning the International Registration of Marks of April 14, 1891, as last amended on September 28, 1979 (the "**MMA**"), the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks of June 28, 1989, as last amended on November 12, 2007 (the "**PMMA**"), and the Paris Convention for the Protection of Industrial Property of March 20, 1883, as last amended on August 20, 1984. At the European level, trademark law is governed by Directive 89/104/EC of the Council of December 21, 1988 on the approximation of the laws of the EU Member States relating to trademarks and – specifically with regard to the creation of a EU-wide trademark registration and protection regime – by Council Regulation (EC) No 40/94 of December 20, 1993 on the Community Trademark as amended by Council Regulation (EC) No 207/2009 of February 26, 2009 and Regulation (EU) 2015/2424 of the European Parliament and of the Council of December 16, 2015 as well as Directive (EU) 2015/2436 of the European Parliament and of the Council of December 16, 2015 to approximate the laws of the Member States relating to trade marks. In Germany, trademark law is governed by the German Federal Trademark Act (*Markengesetz* ("**Trademark Act**")).

Trademarks may be registered with the respective national trademark authority, such as the German Patent and Trade Mark Office (*Deutsches Patent- und Markenamt*), as well as with the European Union Intellectual Property Office (the "**EUIPO**") for EU-wide registration, and – following either the national or EU-wide registration – via the World Intellectual Property Organization in countries which are parties to the MMA or PMMA, for ten-year periods which can be repeatedly renewed. For a renewal in Germany, the payment of the renewal fee in time is sufficient. Upon application, the EUIPO examines whether there are grounds for refusal of protection for the respective trademark. Grounds for refusal may arise, *inter alia*, from the existence of earlier, identical or similar trademarks in one of the EU Member States, as well as in case the trademark is devoid of distinctive character. Further, proprietors of earlier trademarks may oppose the registration of the applied trademark within three months from the publication of the application, *inter alia*, on the grounds that the applied trademark and the products or services which are sold under it are identical or similar to their trademark and the products or services sold under the earlier trademark. Upon registration of a Community trademark, the proprietor is entitled to prevent all third parties from using it in the course of trade without his prior consent. In addition, national trademark laws of the EU Member States such as the Trademark Act stipulate that the proprietor of a Community trademark is entitled to, *inter alia*, compensation for damages arising from unlawful use.

The reservation, transfer and renewal of generic top level internet domain names (such as ".com" and ".biz") and national top level internet domain names (such as ".de" and ".at") are administered by the Internet Corporation for Assigned Names and Numbers ("**ICANN**"), which is a US-based non-profit organization. The reservation, transfer and renewal of second-level internet domain names (such as "rocket-internet.com" and "rocket-internet.de") are administered by certain registrars which are accredited by ICANN. Internet domain names ending with ".de" are administered by DENIC eG ("**DENIC**"), a non-profit organization based in Germany. Reservations of second-level internet domain names are made by DENIC on a "first come first served"-basis.

However, in case the use of the reserved domain name infringes upon third-party trademarks (or name rights), the proprietor of the infringed trademark (or name) may, under certain conditions, file an injunction against, *inter alia*, any person or entity having reserved or using such internet domain name. The proprietor may also be entitled to compensation for damages arising from the infringement. Further, specific dispute resolution proceedings are available for certain domain name disputes, namely arising from infringements of trademark or name rights (*e.g.*, the ICANN Uniform Name Dispute Resolution Policy which applies to disputes concerning abusive reservation and use of a domain name in the generic and certain national top-level domains). However, DENIC refers to the German courts for any disputes arising from the reservation and use of national internet domain names. German courts allow, *inter alia*, requests for a cancellation but not for a transfer of the disputed domain names. By making a DISPUTE-entry on the disputed domain name with DENIC, however, such domain name is transferred automatically to the claimant upon cancellation.

Accordingly, holders of domain names who are also proprietors of the trademarks corresponding to such domain names are under certain conditions entitled *vis-à-vis* third parties to defend their domain names against abusive reservation or use on the grounds of trademark regulation.

9.2 Data Protection and Cybersecurity

9.2.1 Data Protection Laws

The collection, processing and other use of personal data is extensively regulated by both European and national legislation. As of now, data privacy law at the European level is primarily governed by Directive 95/46/EC of the European Parliament and of the Council of October 24, 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and – specifically with respect to electronic communication – by Directive 2002/58/EC of the European Parliament and of the Council of July 12, 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector, as last amended by Directive 2009/136/EC of the European Parliament and of the Council of November 25, 2009 (the "**Directive on Privacy and Electronic Communications**").

In Germany, general data privacy law is governed by the German Federal Data Protection Act (*Bundesdatenschutzgesetz* (the "**Data Protection Act**")). In addition, various sector specific statutes set forth specific data privacy rules which apply to certain industries or businesses and prevail over the general rules of the Data Protection Act. E-commerce providers have to comply with the specific requirements provided for in the German Telemedia Act (*Telemediengesetz* (the "**Telemedia Act**")) which take into consideration the peculiarities of online communication and may deviate from the general rules of the Data Protection Act. For example, the Telemedia Act on the one hand provides for additional information obligations, which go beyond the general requirements of the Data Protection Act. However, on the other hand, the Telemedia Act allows for electronic declarations of consent while the Data Protection Act, in principle, requires the written form. Compared to other European jurisdictions, the German data privacy law is known to be rather strict. For example, the Data Protection Act provides for a detailed regulatory system for commissioned data processing (*Datenverarbeitung im Auftrag*) which has to be implemented in particular in the context of IT-outsourcings.

In April 2016 the European Parliament and the Council of the EU adopted a comprehensive reform of data protection rules in the EU by means of Regulation and Directive. The Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "**New Data Protection Regulation**"), known as General Data Protection Regulation, will apply from May 25, 2018. The Regulation is directly applicable in all EU Member States and includes, *inter alia*, the replacement of the current national data protection laws and the increase of the maximum level of fines for compliance failures to up to €20 million or 4% of global annual turnover.

In general, data privacy laws regulate when and how personal data may be collected, for which purposes it may be processed, for how long it may be stored and to whom and how it may be transferred. The transfer of personal data to entities outside the European Economic Area (the "**EEA**") is subject to specific requirements. Further, data privacy laws require organizational measures such as installation of a data protection officer (*Datenschutzbeauftragter*), set forth the rights of data subjects (*i.e.*, the persons to whom the personal data relates (*e.g.*, information rights) and determine the sanctions for infringements. The following items illustrate selected areas of data privacy protection which are of particular relevance in the e-commerce sector:

- *E-mail advertising*: Subject to certain exceptions, e-mail advertisements (*e.g.*, newsletters, product recommendations or sales announcements) may only be sent to addressees who have given their explicit prior consent. In Germany, the way in which such consent must be obtained is regulated in detail and typically requires a double opt-in procedure. Pursuant to such procedure, data subjects will need to give their consent twice (*e.g.*, once by filling out an online subscription form, a second time by confirming their e-mail address after they subscribe). Also, data subjects must be clearly informed on the scope and consequences of their consent. A declaration of consent may not be hidden in general terms and conditions or merged with other declarations. Consent may be withdrawn at any time without giving a reason. As an exception from the consent requirement, personalized product recommendations may be sent to customers without their explicit prior consent provided, *inter alia*, that such recommendations only relate to goods identical or similar to those previously purchased by the respective customer.

- *Web analysis*: Web analysis technologies such as cookies or tracking tools (*e.g.*, Google Analytics and Webtrekk) enable the operator of a website to personalize its offers and marketing to better match the customers' interests. Even though most web analysis tools anonymize collected data and do not allow for a subsequent allocation of data to individual data subjects, the use of such tools may still be subject to data privacy laws. For example, the use of cookies is regulated by the Directive on Privacy and Electronic Communications which provides for an opt-in regime pursuant to which the use of cookies requires an informed consent of the website user. While the Directive on Privacy and Electronic Communications has not yet been fully implemented in all EU Member States (*e.g.*, not in Germany), certain European governments have already enacted or are considering measures that could significantly restrict the ability of companies to engage in web analysis activities, such as by regulating the level of consumer notice and consent required before a company can employ cookies or other electronic tracking tools.

- *Social plugins*: Social plugins such as Facebook's "Like"-button help to promote a website through social media and to communicate with fans and followers. The issue how social plugins may be used in compliance with data privacy laws has not yet been decided at the European level. Therefore webshop operators must evaluate different local regulations within the EU. In Germany, the use of a two-click-solution, pursuant to which the website user must first activate the social plugins before being able to actually click on the "Like" or similar buttons is mandatory according to a recent court decision. This two-click-solution would ensure that no personal data are collected through social plugins without the consent of the data subject, which consent is given by activating the social plugins with the first click.

9.2.2 Cyber Security Laws

E-commerce providers are also subject to general regulations on cybersecurity. For example, pursuant to German data privacy law, entities that collect and process personal data must implement certain technical and organization measures. These measures may include, *inter alia*, physical security against unauthorized access and manipulation (*e.g.*, secure storing and transportation of physical data carriers), password assignment, authorization concepts, logging of subsequent changes of data, separation of data which has been collected for different purposes, reasonable encryption as well as protection against accidental loss, destruction or damage. In addition, according to general corporate laws, incorporated companies must implement appropriate risk management systems that also cover the detection and control of IT-related risks.

On July 6, 2016, the European Parliament adopted the Directive on security of network and information systems (the "**NIS Directive**"), which requires all EU Member States, key internet companies and infrastructure operators to ensure a high common level of cybersecurity. The NIS Directive will enter into force in August 2016 and EU Member States will have 21 months to transpose the NIS Directive into national law. The NIS Directive requires certain market operators operating in the EU, including e-commerce platforms, internet payment gateways and social networks to take appropriate security measures and to report serious security incidents to the competent national authority. The national authority may inform the public of such incidents. Market operators who violate the requirements set forth in the national laws transposing the NIS Directive may be subject to audits and further sanctions and the competent national authority may require them to take certain steps to improve the security of their systems.

9.3 Consumer Protection Law

Online retailers who offer their goods and services to consumers must comply with various consumer protection laws. Throughout the EU, consumer protection is extensively regulated on the basis of the following directives:

- the Council Directive 93/13/EEC of April 5, 1993, as amended, on unfair terms in consumer contracts;

- the Directive 1999/44/EC of the European Parliament and of the Council of May 25, 1999, as amended, on certain aspects of the sale of consumer goods and associated guarantees;

- the Directive 2000/31/EC of the European Parliament and of the Council of June 8, 2000 on certain legal aspects of information society services, in particular electronic commerce, in the internal market (Directive on electronic commerce);

- the Directive 2002/58/EC of the European Parliament and of the Council of July 12, 2002, as last amended by Directive 2009/136/EC of the European Parliament and of the Council of November 25, 2009, concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications);

- the Directive 2005/29/EC of the European Parliament and of the Council of May 11, 2005 concerning unfair business-to-consumer commercial practices in the internal market (Unfair Commercial Practices Directive);

- the Directive 2006/123/EC of the European Parliament and of the Council of December 12, 2006 on services in the internal market;

- the Directive 2006/114/EC of the European Parliament and of the Council of December 12, 2016 concerning misleading and comparative advertising;

- the Directive 2011/83/EU of the European Parliament and of the Council of October 25, 2011 on consumer rights (the "**Directive on Consumer Rights**") which replaced the Directive 97/7/EC of the European Parliament and of the Council of May 20, 1997 on the protection of consumers in respect of distance contracts with effect as of June 13, 2014; and

- the Directive 2013/11/EU of the European Parliament and of the Council of May 21, 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC.

The aforementioned EU directives on consumer protection and the national laws which implement or complement these directives impose extensive duties and responsibilities on online retailers, including the following:

- Online purchases constitute "distance contracts" that are subject to specific consumer protection. Pursuant to the Directive on Consumer Rights, consumers have the statutory right to withdraw from a distance contract within 14 days after receipt of goods (or within a period of 12 months and 14 days after receipt of goods if the consumer has not been properly informed about its statutory right of withdrawal). Withdrawal must be exercised by distinct declaration towards the seller (*e.g.*, in writing, per e-mail or phone). If the statutory right of withdrawal is exercised within 14 days, the customer must return the goods and the seller must reimburse the purchase price including shipping costs, if any, except that the seller is not required to reimburse for supplementary costs, if the consumer has expressly opted for a type of delivery other than the least expensive type of standard delivery offered by the seller (*e.g.*, express delivery). The customer has to bear the costs for the return of goods unless the seller has failed to inform the customer accordingly or the seller has expressly agreed to assume these costs. The Directive on Consumer Rights does not regulate who bears the risk for accidental damages or loss in the context of the return of goods when the consumer exercises the right of withdrawal. This matter is subject to the national laws of EU Member States. Under German law the consumer is only required to pay compensation for a loss of value if the loss of value is due to the consumer handling the relevant product in a way that was not necessary for the examination of the product's quality, its features or its functioning.

- Online retailers must comply with extensive and formalized information requirements. They have to provide their (potential) customers with detailed and accurate information, *inter alia*, on the offered goods, on the way a binding contract can be concluded, on price and payment details, on their return policy, on the statutory right to withdraw from a contract (irrespective of any more beneficial return policy that may be afforded by the online retailers, on their general terms of sale and on statutory warranties). EU directives and national laws set out detailed criteria on when, where and by which means this information has to be provided. Online retailers have to implement these requirements in the design and structure of their online-shops, in their ordering and payment processes and in their delivery systems. Due to changes in legislation, online retailers have to adapt their shop design on an ongoing basis. For example, as a result of the Directive on Consumer Rights, they had to implement a "button solution" pursuant to which a binding purchase can only be completed by clicking on a button that is explicitly labeled "buy now" (or similar) and which can be found in the immediate proximity of a summary of certain key information relating to the purchase. Failure to comply with these information requirements may give rise to civil liability, administrative orders (including injunctive relief) or fines and may in some cases result in an extension of warranty periods or even in the invalidity of the affected customer contracts.

Advertising, including promotional games, newsletters and personalized product recommendations, is heavily regulated, in particular if distributed through e-mail. An advertisement must not be misleading, constitute an unreasonable nuisance or make use of harassment, coercion or undue influence. These criteria leave wide room for interpretation and the assessment of courts and other competent bodies is often hard to foresee.

9.4 Product Safety

Retailers who place products on the market in the EU have to ensure that the products are safe. This is also the purpose of the Directive 2001/95/EC of the European Parliament and of the Council of December 3, 2001 on general product safety (the "**Directive on Product Safety**"), according to which manufacturers may only market products which comply with general safety requirements. In addition, they must provide consumers with the necessary information in order to assess a product's inherent threat, particularly when this is not directly obvious and they must take the necessary steps to avoid such threats (*e.g.*, stop marketing such products, inform customers, recall products which have already been supplied to customers). In this context, it is important to know that under the Directive on Product Safety – just like under most other European and/or national legislation on product safety – an importer (*i.e.*, in most cases also a retailer) of a product that was produced in a country outside of the EU qualifies as the manufacturer of the product. According to the Directive on Product Safety distributors are obliged to supply products that comply with the general safety requirements, to monitor the safety of products and to provide the necessary documents ensuring that the products can be traced. If the manufacturers or the distributors discover that a product is dangerous, they must immediately notify the competent authorities, giving details, in particular, of action taken to prevent risk to the consumer and, if necessary, cooperate with them.

In addition to the Directive on Product Safety, special requirements arise out of and the Directive 2009/48/EC of the European Parliament and of the Council the European Union of June 18, 2009 on the safety of toys (the "**Toys Safety Directive**"). The direction covers toys (*i.e.*, products designed or intended, whether or not exclusively, for use in play by children under 14 years of age).

The Regulation (EC) No 1223/2009 of the European Parliament and the Council of November 30, 2009 on cosmetic products (the "**Cosmetics Regulation**") constitutes another example of sector specific product safety legislation. According to the Cosmetics Regulation, *inter alia*, a cosmetic product available on the market shall be safe for human health, which has to be reviewed by a safety assessment and a safety report and a legal or natural person shall be designated as a "responsible person" tasked with ensuring compliance with the Cosmetics Regulation of such product. The Cosmetics Regulation is directly applicable in all EU Member States without the need for implementing national legislation.

In Germany, both the Directive on Product Safety and the Toys Safety Directive have been implemented by the Act on Product Safety (*Gesetz über die Bereitstellung von Produkten auf dem Markt*). Further details are determined in various governmental regulations (*Rechtsverordnungen*) on the safety of specific products/product groups. A violation of the requirements of European and/or national law may be sanctioned with a fine and in severe cases with a criminal sanction.

Moreover, the Act on Food, Feed and Consumer Products (*Lebensmittel-, Bedarfsgegenstände- und Futtermittelgesetzbuch*) as well as the Governmental Regulation on Consumer Products (*Bedarfsgegenständeverordnung*) have to be observed by any retailer when performing its business in Germany. Both acts are primarily aimed at the health protection of the consumers that get into contact with certain products and grant extensive powers to the competent authorities in order to supervise the compliance of the manufacturers and the distributors of products with their legal duties. A violation of the requirements of the Act on Food, Feed and Consumer Products may be sanctioned with a fine and in severe cases with a criminal sanction.

10. SHAREHOLDER INFORMATION

10.1 Shareholder Structure

The following table sets forth the principal indirect and direct shareholders of Rocket Internet SE based on the best knowledge of Rocket Internet SE:

Indirect Shareholder	Direct Shareholder	Beneficial (Indirect) Ownership of Rocket Internet SE (in %)
Zerena GmbH	Global Founders GmbH	37.1[(1)]
Verdere S.à r.l.	Kinnevik Internet Lux S.à r.l. [(2)]	13.2
United Internet AG	United Internet Ventures AG	8.3
–	Scottish Mortgage Investment Trust Plc[(3)]	6.8
Philippine Long Distance Telephone Company	PLDT Online Investments PTE. LTD.	6.1
Len Blavatnik	AI European Holdings S.à r.l.	6.0
Other shareholders/Public free float[(4)]		22.5
Total		**100.00**

(1) The shareholdings of Global Founders GmbH are attributed to its controlling shareholder Rocata GmbH and to Rocata GmbH's controlling shareholder Zerena GmbH. As a shareholder of Zerena GmbH, Oliver Samwer Familienstiftung indirectly holds the Rocket Internet SE shares previously held by Oliver Samwer through Global Founders GmbH.

(2) Kinnevik Internet Lux S.à r.l. is a subsidiary of Investment AB Kinnevik. Verdere S.à r.l. is the largest shareholder of Investment AB Kinnevik in terms of voting rights.

(3) Scottish Mortgage Investment Trust Plc is an investment trust managed by Baillie Gifford & Co.

(4) Other shareholders/Public free float refer to shareholdings with less than three percent in Rocket Internet SE. This figure includes aggregate shareholdings in Rocket Internet SE of approximately 1.0% which are held by Marc, Oliver and Alexander Samwer through MOAS GmbH & Co. KG, MOAS Nr. 2 GmbH & Co. KG and MOAS Nr. 3 GmbH & Co. KG.

Rocket Internet SE is directly controlled by Global Founders. The shares held by Global Founders are entitled to the same rights, including voting rights, as all other shares in Rocket Internet SE.

10.2 Controlling Interest

Global Founders holds 37.1% of the voting rights in Rocket Internet SE.

11. GENERAL INFORMATION ON ROCKET INTERNET SE AND THE GROUP

11.1 Formation, Incorporation, Commercial Name, Fiscal Year and Registered Office

Rocket Internet SE was formed as a limited liability company (*Gesellschaft mit beschränkter Haftung*) under German law by memorandum of association dated May 30, 2007. Its legal name was "Rocket Internet GmbH" with its registered office in Munich, Germany, registered under the docket number HRB 168254 with the commercial register at the local court (*Amtsgericht*) of Munich, Germany. Rocket Internet SE moved its headquarters to Berlin by decision of its shareholders dated July 5, 2007, and was registered with the commercial register at the local court (*Amtsgericht*) of Charlottenburg, Berlin, Germany (the "**Commercial Register**") under the docket number HRB 109262 on September 4, 2007.

On June 23, 2014, the general shareholders' meeting approved a resolution to change Rocket Internet GmbH's legal form to a stock corporation (*Aktiengesellschaft*) organized under German law and its legal name to "Rocket Internet AG". The change in legal form and name was registered with the Commercial Register on July 1, 2014 under docket number HRB 159634 B. On September 30, 2014, the general shareholders' meeting approved a resolution to change the legal form to a European company (*Societas Europaea* (SE)) governed by German and European law and the legal name to "Rocket Internet SE". The change in legal form and name was registered with the Commercial Register on March 18, 2015 under docket number HRB 165662 B. All these changes were effected in accordance with the applicable provisions of the German Transformation Act (*Umwandlungsgesetz*). In September 2016, Rocket Internet SE moved its registered office from Johannisstraße 20, 10117 Berlin, Germany to Charlottenstraße 4, 10969 Berlin, Germany.

Rocket Internet SE is the Group's parent company; the Group primarily operates under the commercial name "Rocket Internet". Rocket Internet SE's fiscal year is the calendar year.

Rocket Internet SE's registered office is at Charlottenstraße 4, 10969 Berlin, Germany (tel.: +49 (0) 30 300 13 18-00).

11.2 History and Development

For information on the history of Rocket Internet SE, see "*7.2 Origins*".

11.3 Duration of Rocket Internet SE and Corporate Purpose

Rocket Internet SE was established for an unlimited period of time.

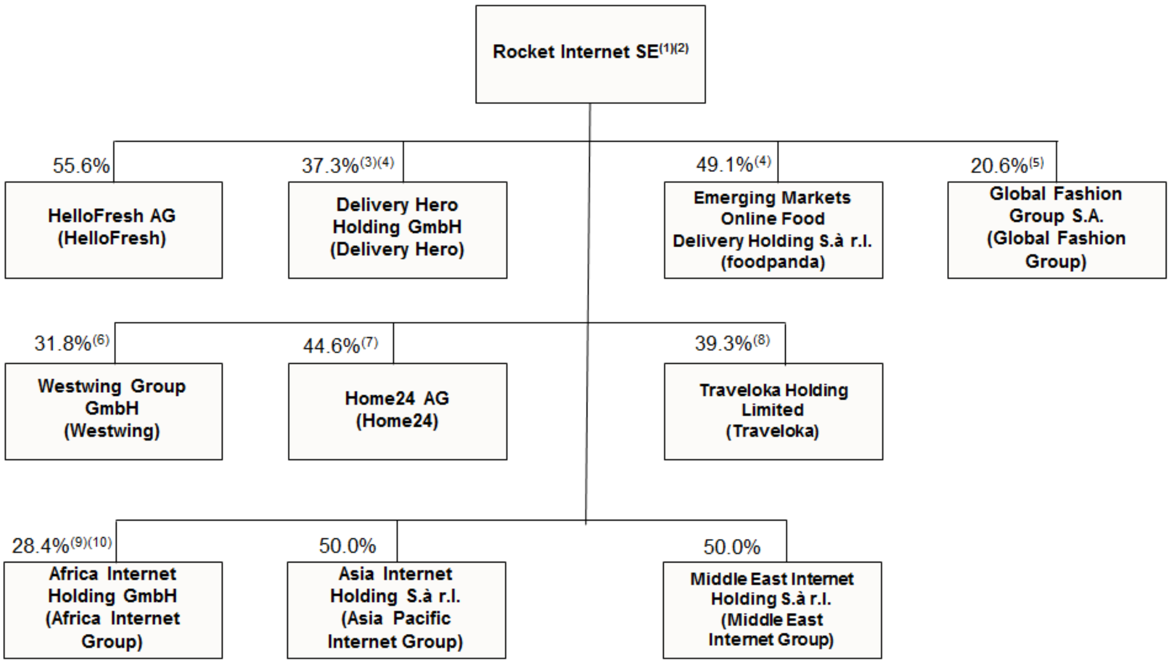
Pursuant to Section 2 of the Articles of Association, Rocket Internet SE's corporate purpose is

- the development and implementation of new business concepts, in particular with focus on areas such as internet, online services, e-commerce, telecommunication, media, IT, technologies;
- the formation, the set-up and the continuous development of new companies and the acquisition of interests in companies in pursuit of the above business concepts;
- the provision of permission-free services and permission-free consultancy, in particular to companies described above in the areas of IT, marketing, sales, personnel development, financing and project development; and
- the management of Rocket Internet SE's own participations and other company assets.

Rocket Internet SE may engage in all businesses connected to the objects of Rocket Internet SE or favoring same or directly or indirectly promoting same. Rocket Internet SE may participate or invest in other businesses or companies with the same or similar objects. Rocket Internet SE may restrict its objects to some of the activities stated above. Rocket Internet SE may establish branches.

11.4 Group Structure

Rocket Internet SE is the holding company of the Group. The following diagram sets forth a summary (in simplified form) of Rocket Internet SE's significant participations as of August 31, 2016 taking into account the relevant direct and indirect beneficial interests (*durchgerechneter Beteiligungsanteil*). The shareholdings presented also include shareholdings of affiliated companies pursuant to Sections 15 *et seq.* AktG. Other than as disclosed in the footnotes to the following diagram, there were no changes in the Rocket Internet SE's relevant direct and indirect beneficial interests (*durchgerechneter Beteiligungsanteil*) until the date of this prospectus.



(*Source: Information of Rocket Internet SE*)

(1) Ownership stakes are shown on a non-fully diluted basis (unless stated otherwise). Direct and indirect stakes as of August 31, 2016.
(2) The participation quotas shown may differ compared to respective figures shown in the mandatory part of Rocket Internet SE's annual report 2014 and 2015 or other financial statements, reports or notes of Rocket Internet SE for reasons other than additional financing rounds (*i.e.*, reflection of different points in time). Such non-timing differences can be due to a number of reasons, such as the consideration of unallocated trust shares, which have for accounting purposes been allocated to the Group, the elimination of treasury shares when calculating ownership interests for accounting purposes as well as agreements in which signing and closing do not occur simultaneously.
(3) The stake in Delivery Hero Holding GmbH is shown on a fully diluted basis.
(4) Delivery Hero Holding GmbH and Emerging Markets Online Food Delivery Holding S.à r.l. are held through Global Online Takeaway Group S.A., of which Rocket Internet SE directly holds 100% of the equity.
(5) Shows direct and indirect stake of Rocket Internet SE (beneficial interest including RICP) in Global Fashion Group S.A. Following completion of last management roll-over steps agreed in the context of creation of the Global Fashion Group, Rocket Internet's direct and indirect stake after the transaction will decrease to 20.4% (beneficial interest including RICP).
(6) Westwing Group GmbH is held indirectly through Westwing SPV (24.8%) and directly (7.0%). Rocket Internet SE holds a direct stake of 100% in Westwing SPV.
(7) In September 2016, Home24 raised €20 million in a financing round. As a result, Rocket Internet SE's direct and indirect stake in Home24 amounts to 42.9% (beneficial interest including RICP).
(8) The shares in Traveloka Holding Limited are held indirectly by Rocket Internet SE through Bambino 106. V V UG (haftungsbeschränkt), in which Rocket Internet SE has a 100% stake.

(9) Africa Internet Holding GmbH is held through AEH New Africa eCommerce I GmbH, RICP and directly (21.7%). AEH New Africa eCommerce II GmbH is the sole shareholder of AEH New Africa eCommerce I GmbH. Rocket Internet SE holds a direct stake of 71.2% in AEH New Africa eCommerce II GmbH. AEH New Africa eCommerce I GmbH in turn holds 8.9% in Africa Internet Holding GmbH.

(10) In August 2016, Africa eCommerce Holding GmbH, the holding company of Jumia, was merged into Africa Internet Holding GmbH.

The following list provides information on the country of incorporation of Rocket Internet SE's significant participations as of August 31, 2016 shown in the chart above:

Commercial Name	Holding legal name	Country of incorporation of holding
HelloFresh	HelloFresh AG	Germany
Delivery Hero	Delivery Hero Holding GmbH	Germany
foodpanda	Emerging Markets Online Food Delivery Holding S.à r.l.	Luxembourg
GFG	Global Fashion Group S.A.	Luxembourg
Westwing	Westwing Group GmbH	Germany
Home24	Home24 AG	Germany
Traveloka	Traveloka Holding Limited	Cayman Islands
Africa Internet Group	Africa Internet Holding GmbH	Germany
Asia Pacific Internet Group	Asia Internet Holding S.à r.l.	Luxembourg
Middle East Internet Group	Middle East Internet Holding S.à r.l.	Luxembourg

11.5 Subsidiaries

As of December 31, 2015, Rocket Internet SE's consolidated group comprised 181 fully consolidated companies in addition to Rocket Internet SE. 267 subsidiaries were not fully consolidated due to their immateriality. The following table provides an overview of the Group's significant fully consolidated subsidiaries based on financial information in accordance with IFRS taken from Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015 or taken or derived from the Group's accounting records:

Name and registered office	Nature of business	Rocket Internet SE's (directly and indirectly) equity interest as of December 31, 2015	Issued capital as of December 31, 2015	Capital reserves as of December 31, 2015	Profit/loss for the year ended December 31, 2015	Payables to Rocket Internet SE as of December 31, 2015	Receivables from Rocket Internet SE as of December 31, 2015
		(in %)			(in € million)		
Global Fin Tech Holding S.à r.l., Senningerberg, Luxembourg............	Other services	100%	0.0	9.3	26.1	0.0	–
Global Founders Capital GmbH & Co. Beteiligungs KG Nr. 1, Berlin, Germany	Interim holding	100%	0.0	193.3	10.2	43.8	–
GFC Global Founders Capital S.à r.l., Senningerberg, Luxembourg............	Interim holding	100%	0.0	26.0	2.7	0.0	–
Global Online Takeaway Group SA, Senningerberg, Luxembourg............	Interim holding	100%	0.0	1,231.2	(28.2)	0.3	–
MKC Brillant Services GmbH, Berlin, Germany	Other services	65.0%	0.1	79.0	130.9	0.1	–

The book value of other subsidiaries is not significant on an individual basis and none of those entities contributed more than 10% to the Group's consolidated net income for the year ended December 31, 2015. For more information, see also F-112 *et seq.*

11.6 Corporate Governance of the Network

The corporate governance of the companies in the Rocket Internet network is based on three models: (i) investor approval model, (ii) board like model and (iii) joint venture like model. Under all models, the managing directors of the relevant company manage the company subject to a catalogue of approval measures. For more information, see "*8.3 Investment Agreements and Shareholders' Agreements*". The models differ with respect to the supervisory competences. Under the investor approval model, a defined catalogue of management measures is subject to prior approval of a certain majority of investors of the company. Under this model, any existing supervisory board has the primary function of advising the company's management. Under the board like model, a defined catalogue of management measures is subject to the approval of the company's supervisory board by way of majority vote. The members of the supervisory board are nominated by certain shareholders of the company. Under the joint venture like model, the supervision is subject to joint decisions by the shareholders or the advisory board members, as the case may be. An escalation mechanism is intended to resolve deadlock situations.

11.7 Statutory Auditors

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Berlin office ("**E&Y**"), Friedrichstraße 140, 10117 Berlin, Germany, was appointed as the statutory auditor of Rocket Internet SE, including before its change in legal form, for the years ended December 31, 2013, 2014 and 2015. E&Y audited Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2015 prepared in accordance with IFRS and the additional requirements of Section 315a para. 1 of the German Commercial Code (*Handelsgesetzbuch*), Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2014 prepared in accordance with IFRS, Rocket Internet SE's consolidated financial statements as of and for the year ended December 31, 2013 prepared in accordance with German GAAP as well as Rocket Internet SE's unconsolidated annual financial statements as of and for the year ended December 31, 2015 prepared in accordance with German GAAP and issued in each case an unqualified auditor's report or audit opinion (*uneingeschränkter Bestätigungsvermerk*). E&Y is a member of the German Chamber of Public Accountants (*deutsche Wirtschaftsprüferkammer*).

The unaudited interim condensed consolidated financial statements of the Group as of and for the six months ended June 30, 2016 prepared in accordance with IFRS for interim financial reporting (IAS 34) have not been audited or reviewed.

11.8 Notifications; Paying Agent

In accordance with Section 3 para. 1 of the Articles of Association, Rocket Internet SE's notifications are published in the German Federal Gazette (*Bundesanzeiger*).

In accordance with the German Securities Prospectus Act (*Wertpapierprospektgesetz*), notifications in connection with the approval of this prospectus or any supplements thereto will be published in the manner of publication provided for in this prospectus, that is, through publication on Rocket Internet SE's website, www.rocket-internet.com under the Investor Relations section, and the provision of printed copies at Rocket Internet SE's office at Charlottenstraße 4, 10969 Berlin, Germany (tel. +49 (0) 30 300 13 18-00).

The paying agent is BNP PARIBAS Securities Services S.C.A. Zweigniederlassung Frankfurt. The mailing address of the paying agent is Europa-Allee 12, 60327 Frankfurt am Main.

12. DESCRIPTION OF THE SHARE CAPITAL OF ROCKET INTERNET SE AND APPLICABLE REGULATIONS

12.1 Current Share Capital; Shares

Rocket Internet SE's share capital currently amounts to €165,140,790.00. It is divided into 165.140.790 bearer shares with no par value (*Stückaktien*), each such share with a notional value of €1.00. The share capital has been fully paid in. The shares were created pursuant to German law.

12.2 Development of the Share Capital since Rocket Internet SE's Foundation

Rocket Internet SE's share capital has developed as follows:

As of June 4, 2007, Rocket Internet SE, which was first registered with the Commercial Register at the local court (*Amtsgericht*) of Munich, Germany, at that time in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*), had a share capital of €25,000.00. By resolution of the shareholders' meeting of Rocket Internet SE held on February 3, 2010, Rocket Internet SE's share capital was increased by €3,301.00, from €25,000.00 to €28,301.00. The capital increase was registered with the Commercial Register on February 11, 2010.

On March 27, 2012, the directors of Rocket Internet SE resolved to increase Rocket Internet SE's share capital from authorized capital, which had been created by a resolution of the shareholders' meeting on February 3, 2010 (*Authorized Capital 2010/I*), by €5,032.00, from €28,301.00 to €33,333.00. On the same day the shareholders' meeting further resolved to increase Rocket Internet SE's share capital by €66,667.00, from €33,333.00 to €100,000.00. The capital increases were registered with the Commercial Register on April 13, 2012.

By resolutions of the shareholders' meeting of Rocket Internet SE held on April 11, 2012, April 12, 2012 and April 16, 2012, Rocket Internet SE's share capital was increased against contributions by an aggregate of €3,386.00, from €100,000.00 to €103,386.00. The capital increase was registered with the Commercial Register on November 6, 2012.

By resolution of the shareholders' meeting of Rocket Internet SE held on July 8, 2013, Rocket Internet SE's share capital was increased by €6,414.00, from €103,386.00 to €109,800.00. The capital increase was registered with the Commercial Register on July 18, 2013.

By resolution of the shareholders' meeting of Rocket Internet SE held on February 4, 2014, Rocket Internet SE's share capital was increased by €546.00, from €109,800.00 to €110,346.00. The capital increase was registered with the Commercial Register on April 28, 2014.

The extraordinary shareholders' meeting of Rocket Internet SE held on August 22, 2014 resolved, among other things, on the following sequence of capital and capital related measures:

- First, the extraordinary shareholders' meeting resolved to increase Rocket Internet SE's share capital from its own resources (*Kapitalerhöhung aus Gesellschaftsmitteln*) from €110,346.00, by €33,152.00 to €143,498.00.

- Second, it resolved to re-divide Rocket Internet SE's share capital by replacing each no par value share with a notional value of €2.00 by two new no par value bearer shares with a notional value of €1.00, resulting in 143,498 no par value bearer shares with a notional value of €1.00.

- Third, the extraordinary shareholders' meeting resolved to increase Rocket Internet SE's share capital by €15,944.00, from €143,498.00 to €159,442.00 while admitting PLDT Online Investments PTE. LTD. to subscribe for all newly issued shares.

- Fourth, the extraordinary shareholders' meeting resolved to increase Rocket Internet SE's share capital by €25,527.00, from €159,442.00 to €184,969.00 while admitting (i) United Internet to subscribe for 16,193 newly issued shares, (ii) Global Founders and Global Founders Capital Fund to subscribe for an aggregate of 8,132 newly issued shares, (iii) European Founders Fund GmbH & Co. Beteiligungs KG Nr. 2 and European Founders Fund GmbH & Co. Beteiligungs KG Nr. 3, both Munich, Germany, to subscribe for 637 and 365 newly issued shares, respectively, and (iv) MOAS GmbH & Co. KG, MOAS Nr. 2 GmbH & Co. KG and MOAS Nr. 3 GmbH & Co. KG, all Munich, Germany, to subscribe for an aggregate of 200 newly issued shares.

- Fifth, the extraordinary shareholders' meeting resolved to increase Rocket Internet SE's share capital by €4,766.00, from €184,969.00 to €189,735.00 while admitting HV Holtzbrinck Ventures Fund IV L.P., Holtzbrinck Ventures NM GmbH & Co. KG, Juwel 218. V V UG and HV Holtzbrinck Ventures Fund V GmbH & Co. KG, all Munich, Germany, to subscribe for these new shares.

- Sixth, the extraordinary shareholders' meeting resolved to increase Rocket Internet SE's share capital from its own resources (*Kapitalerhöhung aus Gesellschaftsmitteln*) by €119,912,520.00 from €189,735.00 to €120,102,255.00.

The capital increases and the re-division of the share capital were registered with the Commercial Register on September 1, 2014. The extraordinary shareholders' meeting of Rocket Internet SE held on August 22, 2014 also resolved to convert the then existing registered shares into bearer shares and to change the Articles of Association of Rocket Internet SE accordingly. The conversion took effect as of September 1, 2014.

In connection with the IPO, the Management Board resolved on September 30, 2014, with consent from the Supervisory Board dated September 30, 2014, to increase Rocket Internet SE's share capital by €33,028,311.00, from €120,102,255.00 to €153,130,566.00 by partly utilizing the Authorized Capital 2014/I). The capital increase was registered with the Commercial Register on October 1, 2014.

On February 12, 2015, the Management Board resolved, with consent from the Supervisory Board dated February 12, 2015, to increase Rocket Internet SE's share capital by €12,010,244.00, from €153,130,566.00 to €165,140,790.00 by partly utilizing the remaining Authorized Capital 2014/I). The capital increase was registered with the Commercial Register on February 16, 2015.

12.3 Authorization to Issue Convertible Bonds and Other Instruments

The Management Board is authorized, with the approval of the Supervisory Board, to issue until September 7, 2019, once or repeatedly, bonds with warrants, convertible bonds, profit participation rights, and/or participating bonds (or combinations of these instruments) (collectively referred to as "**Bonds**") having a total par value of up to €960,000,000.00 and to grant the holders or creditors (collectively referred to as "**Holders**") option or conversion rights to shares of Rocket Internet SE up to a maximum of 48,040,902 shares and with a maximum proportion of the share capital of €48,040,902.00 in accordance with the terms and conditions of the Bonds. The authorization to issue Bonds sets out certain parameters which include the following:

The Bonds can carry fixed or variable interest whereby the interest may depend partially or completely on the amount of Rocket Internet SE's dividend. The Bonds may also be mandatorily convertible at the end of the term or earlier or provide for the right of Rocket Internet SE to grant the Holders of Bonds shares of Rocket Internet SE in lieu of repayment of the Bonds. In the event of an option being exercised or of a conversion, and in the event of fulfillment of option or conversion obligations, Rocket Internet SE may at its discretion either grant new shares from conditional capital, or existing shares of Rocket Internet SE, or shares of another listed company. The terms and conditions of the bonds may also provide for the right of Rocket Internet SE not to grant shares, but rather to pay the equivalent value in cash. The option or conversion price for a share amounts to – with the exception of the cases in which an option or conversion obligation is provided for – (i) at least 80% of the volume-weighted average closing price of the share of Rocket Internet SE in the Xetra trading system (or a comparable subsequent system) of Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) on the last ten trading days before the date on which the resolution on the issue of the Bonds is adopted by the Management Board, or (ii) in the event of subscription rights being granted, at least 80% of the volume-weighted average closing price of the share of Rocket Internet SE in the Xetra trading system (or a subsequent system) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) in the period from the start of the subscription period up to and including the day before notification is given of the definitive terms and conditions of the Bonds pursuant to Section 186 para. 2 AktG.

The terms and conditions of the Bonds may also provide for certain anti-dilution mechanisms pursuant to which the option or conversion rights and obligations may – notwithstanding any applicable law – be adjusted to retain value, if during the term of the Bonds the financial value of the existing option or conversion rights and obligations is diluted and no subscription rights are granted as compensation. The terms and conditions of the Bonds may also provide for a cash compensation instead. Shareholders have, in principle, subscription rights to the Bonds. The Bonds may also be acquired by one or several banks, pursuant to Section 186 para. 5 sentence 1 AktG, subject to the obligation to offer them to shareholders for subscription. If the Bonds are issued by a company in which Rocket Internet SE holds a direct or indirect majority participation, Rocket Internet SE ensures that shareholders of Rocket Internet SE are granted subscription rights.

The Management Board may with the consent of the Supervisory Board exclude subscription rights to the Bonds in certain cases and under certain conditions, including (i) if the Bonds are issued for cash payment, provided that the issue price is not significantly lower than the theoretical market price in accordance with recognized financial methods and that the Bonds carry option or conversion rights and/or option or conversion obligations to shares with a proportionate amount of the share capital which must not exceed 10% of Rocket Internet SE's share capital at the time said authorization comes to effect or – in case such amount is lower – the authorization is exercised, (ii) if the Bonds are issued against contributions in kind, provided that the value of the contribution in kind is proportionate to the market value of the Bonds (as calculated pursuant to the preceding letter (i)), (iii) for fractional amounts, or (iv) if the Bonds are issued to grant Holders of previous issued Bonds subscription rights to the extent they would have been entitled to as shareholders after exercising option or conversion rights or after fulfilling option or conversion obligations.

To the extent that profit participation rights or participating bonds are issued that do not carry option or conversion rights and/or option or conversion obligations, the Management Board shall be authorized, with the approval of the Supervisory Board, to exclude subscription rights of shareholders overall if these profit participation rights or participating bonds are structured in the same way as bonds (*i.e.*, do not constitute any membership rights in Rocket Internet SE, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of net income, unappropriated net income, or the dividend). In this case, the interest and the issue price of the profit participation rights or participating bonds shall also correspond to comparable borrowings under current market conditions on the issue date. The Management Board is authorized, with the approval of the Supervisory Board, to stipulate further particulars and terms of the Bonds in accordance with the parameters of the authorization.

12.4 Authorized Capital

As of the date of this prospectus, Rocket Internet SE has the following two authorized capitals:

12.4.1 Authorized Capital 2014

Pursuant to Section 4 para. 3 of the Articles of Association together with Section 202 AktG and Article 9 para. 1 lit. c(ii) of the SE-Regulation, the Management Board is authorized to increase the registered capital of Rocket Internet SE until August 21, 2019, with the consent of the Supervisory Board once or repeatedly, by up to a total of €15,012,592.00 by the issuance of up to 15,012,592 new shares with no-par value against contributions in cash (the "**Authorized Capital 2014**"). In principle, the shareholders are to be offered subscription rights. The new shares may be taken over by one or more bank(s) with the obligation to offer them to the shareholders (so-called indirect subscription right). The Management Board is, however, authorized to exclude the subscription right of the shareholders with the consent of the Supervisory Board for one or more capital increases in the context of the Authorized Capital 2014, *inter alia*,

- if the utilization of the Authorized Capital 2014 occurs in order to place the new shares by a public offer in Germany and/or in the Grand Duchy of Luxembourg at a German stock exchange and by way of a private placement in other jurisdictions outside Germany and the Grand Duchy of Luxembourg at a sale price to be determined by the Management Board which requires the consent of the Supervisory Board or of a committee formed by the Supervisory Board, in each case associated with the implementation of the trade of Rocket Internet SE's shares at a German stock exchange (including the inclusion in the Open Market or admission to trading in a regulated market);

- in order to exclude fractional amounts from the subscription right;

- in the event of a capital increase against cash contributions, provided that the issue price of the new shares is not significantly below the prevailing stock exchange price of Rocket Internet SE's listed shares at the time of the final determination of the issue price. However, this authorization shall be subject to the proviso that the aggregate value of Rocket Internet SE's shares sold to the exclusion of shareholders' subscription rights, in accordance with Section 186 para. 3 sentence 4 AktG, shall not exceed 10% of the registered share capital at the time the Authorized Capital 2014 comes into effect or – in case such amount is lower – is exercised. Any shares of Rocket Internet SE that are issued or sold during the term and prior to the exercising of such authorization in direct or analogous application of Section 186 para. 3 sentence 4 AktG, shall count towards the above thresholds of 10% of the registered share capital; and

- in the event of capital increases against contributions in kind.

The new shares shall bear the right to participate in the profits of Rocket Internet SE from the first day of the year in which they have been issued. The Management Board is authorized to determine any further details of the capital increase and its implementation, subject to the Supervisory Board's approval.

12.4.2 Authorized Capital 2016

The Management Board is authorized, with the consent of the Supervisory Board, to increase the basic capital of Rocket Internet SE in the period up to June 8, 2021 by up to €67,557,803.00 once or several times by issuing up to 67,557,803 new bearer no-par value shares for cash and/or contributions in kind ("**Authorized Capital 2016**"). A subscription right is in principle to be granted to shareholders. The shares can also be taken up according to Section 186 para. 5 AktG by one or more financial institutions with the obligation to offer them to the shareholders of Rocket Internet SE (indirect subscription right). The Management Board is, however, authorized to exclude the subscription right of the shareholders with the approval of the Supervisory Board for one or more capital increases from the Authorized Capital 2016

- in order to exclude fractional amounts from the subscription right;
- if necessary to grant to bearers or creditors of convertible bonds, options, profit rights and/or profit bonds (or combinations of these instruments) (hereinafter together "**Instruments**") with conversion or option rights or conversion or option obligations, which were or will be issued by Rocket Internet SE or a direct or indirect subsidiary, a subscription right to new bearer non-par value shares of Rocket Internet SE in the amount to which they would be entitled as shareholder after the exercise of the option or conversion rights or fulfillment of the conversion or option obligations;
- to issue shares for cash if the issue amount of the new shares is not significantly less than the stock exchange price of the shares already listed on the stock exchange within the meaning of Sections 203 para. 1 and 2, 186 para. 3 sentence 4 AktG and the proportional amount of the basic capital attributable to the new shares issued according to Section 186 para. 3 sentence 4 AktG does not exceed a total of 10% of the basic capital, whether at the time of the coming into effect or at the time of the exercise of the Authorized Capital 2016. Shares which were issued for the purpose of satisfying Instruments with conversion and option rights or with conversion and option obligations or on the basis of the conversion or subscription price at the time of the resolution of the Management Board for the use of the Authorized Capital 2016 if these Instruments were issued in analogous application of Section 186 para. 3 sentence 4 AktG during the term of this authorization with the exclusion of subscription rights, are to be credited against this limitation of 10%. In addition, those shares of Rocket Internet SE sold during the term of the Authorized Capital with the exclusion of subscription rights of the shareholders according to Section 71 para. 1 No. 8 sentence 5 AktG in connection with Section 186 para. 3 sentence 4 AktG are also to be credited against the maximum limit of 10% of the basic capital. In addition, those shares issued during the term of the Authorized Capital 2016 out of other authorized capital, in particular the Authorized Capital 2014, with the exclusion of subscription rights according to Section 203 para. 2 sentence 1 AktG in connection with Section 186 para. 3 sentence 4 AktG are also to be credited against this maximum limit of 10% of the basic capital; and
- to issue shares for contributions in kind in particular – but not limited thereto – for the purpose of (including indirect) acquisition of companies, parts of companies, interests in companies and other assets or to service Bonds issued for contributions in kind.

The Management Board is also authorized, with the consent of the Supervisory Board, to specify the additional content of the rights attached to the shares and the conditions of the share issue. The Supervisory Board is authorized, after the exhaustion of the Authorized Capital 2016 or after expiry of the period for the use of the Authorized Capital 2016, to amend the version of the Articles of Association accordingly.

12.5 Conditional Capital

As of the date of this prospectus, Rocket Internet SE has the following three conditional capitals:

12.5.1 Conditional Capital 2014/I

Pursuant to Section 4 para. 4 of the Articles of Association, Rocket Internet SE's share capital is conditionally increased by up to €4,541,712.00 by issuance of up to 4,541,712 new no par value bearer shares (the "**Conditional Capital 2014/I**"). The Conditional Capital 2014/I may only be used to fulfill the subscription rights which have been granted to the member of the Management Board, Mr. Oliver Samwer, in connection with the Stock Option Program 2014/I (as defined in section "*13.4.1 Stock Option Program 2014/I and 2014/II*") in accordance with the resolution of the extraordinary shareholders' meeting on September 8, 2014 (see "*13.4 Share Participation Plan*"). The conditional capital increase will only be implemented to the extent that such subscription rights have been or will be issued in accordance with the Stock Option Program 2014/I as resolved by the extraordinary shareholders' meeting on September 8, 2014, the holder of the subscription rights exercises his rights and Rocket Internet SE does not deliver treasury shares to satisfy the subscription rights, whereas the Supervisory Board is exclusively competent regarding the granting and settlement of subscription rights to the members of the Management Board. The new no par value bearer shares shall participate in the profits from the beginning of the year for which at the time of the issuance of the new shares no resolution of Rocket Internet SE's general meeting on the application of the balance sheet profit was passed, to the extent legally and factually admissible.

12.5.2 Conditional Capital 2014/II

Pursuant to Section 4 para. 5 of the Articles of Association, Rocket Internet SE's share capital is conditionally increased by up to €6,005,113.00 by issuance of up to 6,005,113 new no par value bearer shares (the "**Conditional Capital 2014/II**"). The Conditional Capital 2014/II may only be used to fulfill the subscription rights which have been granted to members of the Management Board (except for Mr. Oliver Samwer) and employees of Rocket Internet SE as well as members of the management and employees of companies affiliated with Rocket Internet SE in the meaning of Sections 15 *et seq.* AktG in connection with the Stock Option Program 2014/II (as defined in section "*13.4.1 Stock Option Program 2014/I and 2014/II*") in accordance with the resolution of Rocket Internet SE's extraordinary shareholders' meeting on September 8, 2014 (see "*13.4 Share Participation Plan*"). The conditional capital increase will only be implemented to the extent that subscription rights have been or will be issued in accordance with the Stock Option Program 2014/II, as resolved by the extraordinary shareholders' meeting on September 8, 2014, the holders of the subscription rights exercise their rights and Rocket Internet SE does not deliver treasury shares to satisfy the subscription rights, whereas the Supervisory Board is exclusively competent regarding the granting and settlement of subscription rights to the members of Management Board. The new no par value bearer shares shall participate in the profits from the beginning of the year for which at the time of the issuance of the new shares no resolution of Rocket Internet SE's general meeting on the application of the balance sheet profit was passed, to the extent legally and factually admissible.

12.5.3 Conditional Capital 2015/2016

Pursuant to Section 4 para. 6 of the Articles of Association, Rocket Internet SE's share capital is conditionally increased by up to €72,000,000.00 by issuance of up to 72,000,000 new no par value bearer shares (the "**Conditional Capital 2015/2016**"). The conditional capital increase serves the granting of shares on the exercise of conversion or option rights or the fulfillment of conversion or option obligations to the bearer or creditor of conversion bonds, option bonds, profit rights and/or profit bonds (or a combination of these instruments) (hereinafter together "**Bonds**") issued on the basis of the authorization of the general shareholders' meeting of June 23, 2015 or the authorization of the general shareholders' meeting of June 9, 2016 (together the "**Authorizations**"). The new shares shall be issued based on the conversion or option price to be determined in accordance with the Authorizations. The conditional capital increase will only be implemented to the extent that the bearers or creditors of Bonds which are issued or guaranteed by Rocket Internet SE, or a company dependent on, or directly or indirectly majority-owned by, it on the basis of the Authorizations exercise their conversion or option rights or satisfy the conversion or option obligations under such Bonds, or to the extent Rocket Internet SE grants shares in Rocket Internet SE instead of paying the amount due, and to the extent the conversion or option rights or conversion or option obligations are not serviced by Rocket Internet SE's treasure stock but by shares from the authorized capital or other consideration. The new shares participate in the profit from the beginning of the year in which they are created and for all subsequent years. However, the Management Board can, insofar as legally admissible, with the approval of the Supervisory Board, determine that the new shares participate in the profit from the beginning of the year for which at the time of the exercise of the conversion or option rights, the fulfillment of the conversion or option obligations or the grant (of shares) instead of the amount of money due a resolution of the general shareholders' meeting as to the appropriation of the balance sheet profit has not yet been passed. The Management Board is authorized to determine further details of the implementation of the conditional capital increase. The Supervisory Board is authorized to amend Section 4 of the Articles of Association in accordance with the claims in each case on the conditional capital and after the expiry of all option and conversion periods.

12.6 Authorization to Purchase and Sell Treasury Shares

Rocket Internet SE currently does not hold any of its own shares, nor does a third party on behalf of Rocket Internet SE. However, by resolution of the extraordinary shareholders' meeting on September 8, 2014, Rocket Internet SE is authorized to purchase up to a total of 10% of its share capital existing at the time of the adoption of the resolution on or before September 7, 2019. The acquired shares, together with other treasury shares which may be in the possession of Rocket Internet SE or are attributable to it pursuant Article 5 of the SE-Regulation together with Sections 71d and 71e AktG, if any, may at no time exceed 10% of Rocket Internet SE's registered share capital. At the discretion of the Management Board the shares may be purchased in one or more tranches (i) on the stock exchange, (ii) by means of a public offer or (iii) a public solicitation to submit offers or (iv) by means of a public offer or a public solicitation to submit offers for the exchange of liquid shares for shares of Rocket Internet SE. The authorization provides for certain thresholds by defining a minimum and maximum consideration for the acquisition of a treasury share. In principle, the consideration for a treasury share may not exceed and may not fall below the market price for one share of Rocket Internet SE in the Xetra trading at the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) on the trading day prior to acquisition through the stock exchange or – in case of a public offer or a public solicitation – below the volume weighted average market price in the three days prior to the announcement of such public offer or public solicitation, by more than 10%. In case of an exchange offer, the exchange price or the exchange range ratio in the form of one or several exchange shares may in principle not exceed the relevant value of a share of Rocket Internet SE by 10% and may not fall below such value by more than 20%, based on the volume-weighted average closing price of the exchange shares and of the shares of Rocket Internet SE in the Xetra trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) on the last three trading days prior to the public announcement of the exchange offer. The treasury shares may be used for any purpose permitted by law. Apart from a disposal through a stock exchange or an offer granting subscription rights to all shareholders, the Management Board is authorized, with the consent of the Supervisory Board, to sell the treasury shares against cash consideration under exclusion of subscription rights, provided that the selling price is not significantly lower than the market price and that the amount of treasury shares to be sold does not exceed 10% of the registered share capital at the time the disposal is resolved. Moreover, the treasury shares can be sold under exclusion of subscription rights in the course of mergers or the acquisition of companies, sold in order to satisfy the rights of creditors of bonds carrying conversion or option rights or, respectively, conversion obligations issued by Rocket Internet SE or its companies; the shares may also be retired. They also may be offered to current or former employees of Rocket Internet SE or its affiliates; the Supervisory Board may use treasury shares to fulfill rights or obligations to purchase shares of Rocket Internet SE that are granted to the members of the Management Board as variable compensation. The Management Board is required to inform Rocket Internet SE's general shareholders' meeting about the reasons for and the purpose of the acquisition of treasury shares, the number of treasury shares acquired and the amount of the registered share capital attributable to them, the portion of the registered share capital represented by them and the equivalent value of the shares.

In addition, Rocket Internet SE is authorized to acquire, on or before September 7, 2019, treasury shares up to a total maximum of 5% of the registered share capital existing at the time of the adoption of the resolution by use of derivatives (put or call options or a combination of both). The acquired shares form part of the 10% threshold of the authorization for the acquisition and use of treasury shares. The option transactions must be entered into with a financial institution or through the stock exchange at terms close to market conditions. The shareholders are not entitled to enter into option transactions with Rocket Internet SE. The authorization provides for certain thresholds with regard to the exercise price (excluding acquisition costs and including certain other costs) which may not exceed the volume-weighted average market price of Rocket Internet SE's shares in the Xetra trading on the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) during the last three exchange trading days prior to the conclusion of the respective option transaction by more than 10% and may not fall below such arithmetic means by more than 20%. Shareholders have a right to tender their shares only to the extent that, by virtue of the derivative transactions, there is an obligation on the part of Rocket Internet SE to purchase the shares. Any further tender right is excluded.

12.7 General Provisions Governing a Liquidation of Rocket Internet SE

Apart from liquidation as a result of insolvency proceedings, Rocket Internet SE may be liquidated only with a vote of 75% or more of the share capital represented at the general shareholders' meeting at which such vote is taken. Pursuant to Article 63 of the SE-Regulation in conjunction with the AktG, in the event of Rocket Internet SE's liquidation, any assets remaining after all of Rocket Internet SE's liabilities have been settled will be distributed among the shareholders in proportion to their shareholdings. The AktG provides certain protections for creditors that must be observed in the event of liquidation.

12.8 General Provisions Governing a Change in the Share Capital

Under Articles 5 and 59 of the SE-Regulation together with the AktG, a German stock corporation requires a general shareholders' meeting resolution passed by a majority of at least 75% of the share capital represented at the vote to increase its share capital. However, pursuant to Rocket Internet SE's Articles of Association, certain capital measures that do not have a dilutive effect (*Verwässerungseffekt*) on the shareholders' participations (such as capital increases with shareholders' pre-emptive rights against contributions, capital increases from company funds and the issuance of convertible bonds, profit participation bonds and other instruments for which the shareholders have a pre-emptive right) may be adopted by a simple majority. Shareholders can also create authorized capital. This requires a resolution passed by a majority of at least 75% of the share capital represented at the vote, authorizing the management board to issue a specific quantity of shares within a period not exceeding five years. The nominal amount may not exceed half of the share capital existing at the time the authorization is granted.

In addition, shareholders can create contingent capital by a resolution passed with a majority of at least 75% of the share capital represented at the vote for the purposes of (i) issuing shares to holders of convertible bonds or other securities granting a right to subscribe for shares; (ii) issuing shares as consideration in a merger with another company; or (iii) issuing shares offered to managers and employees. The nominal amount of contingent capital may not exceed 10% of the share capital at the time the resolution is passed in cases where it is created to issue shares to managers and employees, and may not exceed 50% in all other cases. Resolutions to reduce share capital require a 75% majority of the share capital represented at the vote.

12.9 General Provisions Governing Subscription Rights

In principle, Article 5 of the SE-Regulation in conjunction with Section 186 AktG grants to all shareholders the right to subscribe for new shares to be issued in a capital increase. The same applies to convertible bonds, bonds with warrants, profit participation rights and participating bonds. Subscription rights are freely transferable and may be traded on German stock exchanges for a prescribed period before the deadline for subscription expires. However, shareholders do not have a right to request admission to trading for subscription rights. The general shareholders' meeting may, subject to a majority of at least 75% of the share capital represented at the vote, resolve to exclude subscription rights. Exclusion of shareholders' subscription rights also requires a report from the management board that justifies and demonstrates that the company's interest in excluding subscription rights outweighs the interest of the shareholders being granted subscription rights. Excluding shareholders' subscription rights when new shares are issued is specifically permissible where:

- the company is increasing share capital against cash contributions;
- the amount of the capital increase does not exceed 10% of the share capital at issue; and
- the price at which the new shares are being issued is not materially lower than the stock exchange price.

12.10 Exclusion of Minority Shareholders

Under Article 9 para. 1 lit. c(ii) of the SE-Regulation together with Section 327a *et seq.* AktG, which governs the so-called "squeeze-out under stock corporation law", upon the request of a shareholder holding 95% of the share capital ("**Majority Shareholder**"), the general shareholders' meeting of a stock corporation may resolve to transfer the shares of minority shareholders to the Majority Shareholder against the payment of adequate compensation in cash. The amount of the cash payment that must be offered to minority shareholders has to reflect "the circumstances of the company" at the time the general shareholders' meeting passes the resolution. The amount of the cash payment is based on the full value of the company, which is generally determined using the capitalized earnings method. The minority shareholders are entitled to file for a valuation proceeding (*Spruchverfahren*), in the course of which the fairness (*Angemessenheit*) of the cash payment is reviewed.

Under Sections 39a and 39b of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* (**"WpÜG"**)) in connection with Article 10 of the SE-Regulation, in the case of a so-called "squeeze-out under takeover law", a bidder holding at least 95% of the voting share capital of a target company (as defined in the WpÜG) after a takeover bid or mandatory offer, may, within three months of the expiration of the deadline for acceptances, petition the Regional Court (*Landgericht*) of Frankfurt am Main for a court order transferring the remaining voting shares to it against the payment of adequate compensation. A resolution passed by the shareholders' meeting is not required. The consideration paid in connection with a takeover offer or a mandatory bid is considered adequate if the bidder has obtained at least 90% of the share capital that was subject to the offer based on the offer. The nature of the compensation must be the same as the consideration paid under the takeover bid or mandatory offer; a cash alternative must always be offered. In addition, after a takeover bid or mandatory offer, shareholders in a target company who have not accepted the offer may do so up to three months after the deadline for acceptances has expired, provided the bidder is entitled to petition for the transfer of the outstanding voting shares in accordance with Section 39a WpÜG. The provisions for a squeeze-out under stock corporation law cease to apply once a bidder has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been definitively completed.

Under the German Transformation Act (*Umwandlungsgesetz*), a majority shareholder holding at least 90% of a stock corporation's share capital can require the general shareholders' meeting to resolve that the minority shareholders must sell their stock to the majority shareholder against the payment of adequate compensation in cash, provided that (i) the majority shareholder is a stock corporation, a partnership limited by shares (KGaA), or a European company (*Societas Europaea* (SE) having its seat in Germany; and (ii) the squeeze-out is performed to facilitate a merger under the German Transformation Act between the majority shareholder and the stock corporation. The general shareholders' meeting approving the squeeze-out must take place within three months of the conclusion of the merger agreement. The procedure for the squeeze-out is essentially identical to the "squeeze-out under stock corporation law" described above, including the minority shareholders' option to have the appropriateness of the cash compensation reviewed.

Under Article 9 para. 1 letter c(ii) of the SE-Regulation together with Section 319 *et seq.* AktG, the general shareholders' meeting of a stock corporation may vote for integration (*Eingliederung*) with another stock corporation that has its registered office in Germany, provided the prospective parent company holds at least 95% of the shares of the company to be integrated. The former shareholders of the integrated company are entitled to an adequate compensation, which must generally be provided in the form of shares in the parent company. Where the compensation takes the form of own shares in the parent company, it is considered appropriate if the shares are issued in the same proportion as shares the parent company would have been issued per share in the company integrated if a merger had taken place. Fractional amounts may be paid out in cash.

12.11 Shareholder Notification Requirements; Directors' Dealings; Mandatory Takeover Offers

Once Rocket Internet SE's shares are admitted to trading on the regulated market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), it will be subject to the provisions of the German Securities Trading Act (*Wertpapierhandelsgesetz* ("**WpHG**")) governing disclosure requirements for significant shareholdings, the market abuse regulation (EU) No. 596/2014 ("**MAR**") governing, among other things, directors' obligations to disclose transactions in Rocket Internet SE's shares, debt instruments, or related financial instruments, and the provisions of the WpÜG.

Pursuant to Section 21 para. 1 WpHG, anyone who acquires, sells or whose shareholding in any other way reaches, exceeds or falls below 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the total number of voting rights in Rocket Internet SE, as an issuer whose country of origin (*Herkunftsstaat*) is Germany, is required to notify Rocket Internet SE and BaFin at the same time. Notifications must be submitted without undue delay, and no later than within four trading days. The four-day notification period starts at the time the person or entity subject to the notification requirement has knowledge of or, in consideration of the circumstances, should have had knowledge of his proportion of voting rights reaching, exceeding or falling below the aforementioned thresholds. The WpHG contains a conclusive presumption that the person or entity subject to the notification requirement has knowledge two trading days after such an event occurs. Moreover, a person or entity is deemed to already hold shares as of the point in time such person or entity has an unconditional and due claim of transfer related to such shares pursuant to Section 21 WpHG. In the case that a threshold has been reached or crossed due to a change in the total number of voting rights, the notification period starts at the time the person or entity subject to the notification requirement has knowledge about such change, or upon the publication of the revised total number of voting rights by Rocket Internet SE, at the latest.

In connection with these requirements, Section 22 WpHG contains various attribution rules. For example, voting rights attached to shares held by a subsidiary are attributed to its parent company. Similarly, voting rights attached to shares held by a third party for the account of a person or entity are attributed to such person or entity. Voting rights which a person or entity is able to exercise as a proxy according to such person's or entity's discretion are also attributed to such person or entity. Further, any coordination by a person or entity with a third party on the basis of an agreement or in any other way generally results in an attribution of the full amount of voting rights held by, or attributed to, the third party as well as to such person or entity. Such acting in concert generally requires a consultation on the exercise of voting rights or other efforts designed to effect a permanent and material change in the business strategy of Rocket Internet SE. Accordingly, the exercise of voting rights does not necessarily have to be the subject of acting in concert. Coordination in individual cases, however, is not considered as acting in concert.

Similar obligations to notify Rocket Internet SE and the BaFin apply pursuant to WpHG to anyone who reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, by directly or indirectly holding instruments either (i) giving their holder the unconditional right or discretion to acquire already issued shares of Rocket Internet SE to which voting rights are attached, or (ii) relating to such shares and having a similar economic effect, whether or not conferring a right to a physical settlement. Pursuant to Section 25 para. 2 WpHG, such instruments include, in particular, transferable securities, options, futures, swaps, forward rate agreements and contracts for difference.

In addition, anyone whose aggregate number of voting rights and instruments pursuant to Sections 21 para. 1 and 25 para. 1 WpHG reaches, exceeds or falls below the aforementioned thresholds, except for the 3% threshold, has to notify Rocket Internet SE and the BaFin pursuant to Section 25a para. 1 WpHG.

If any of the aforementioned reporting obligations are triggered, the notifying person or entity is required to fully complete the notification form set forth as an annex to the Securities Trading and Insider List Regulation (*Wertpapierhandelsanzeige- und Insiderverzeichnisverordnung*). The notice can be submitted either in German or English, in writing or via fax. The notice must include, irrespective of the event triggering the notification, (i) the number and proportion of voting rights, (ii) the number and proportion of instruments and (iii) the aggregate number and proportion of voting rights and instruments held by or attributed to the notifying person or entity. In addition, the notice must include certain attribution details, among other things, the first name and surname of the notifying individual or the legal name, seat and state of a notifying entity, the event triggering the notification, the date on which the threshold was reached or crossed and, if voting rights or instruments are attributed.

As a domestic issuer, Rocket Internet SE must publish such notices without undue delay, but no later than three trading days of receipt, via media outlets or outlets where it can be assumed that the notice will be disseminated in the entire European Union and in the non-European Union member states that are parties to the Agreement in the European Economic Area. Rocket Internet SE must also transmit the publication to the BaFin, specifying the time of publication and the media used and to the German Company Register (*Unternehmensregister*) for storage.

There are certain exceptions to the notice requirements. For example, a company is exempt from its notification obligation if its parent company, or if its parent company is itself a subsidiary, the parent's parent company, has filed a group notification pursuant to Section 24 para. 1 WpHG. Moreover, shares or instruments held by a credit institution or a credit securities services company with a registered seat in the European Union or in a non-European Union member state that is a party to the Agreement in the European Economic Area are not taken into account for determining the notification obligation or proportion of voting rights held, *provided* (i) they are held in such credit institution's or credit securities services company's trading book, (ii) they amount to no more than 5% of the voting shares, do not grant the right to acquire more than 5% of the voting shares, or do not have a similar economic effect and (iii) it is ensured that the voting rights held by them are not exercised or otherwise made use of.

If a shareholder fails to file a notice or provides false information with regard to shareholdings pursuant to Sections 21 and 22 WpHG, the rights attached to shares held by or attributed to such shareholder, particularly voting and dividend rights, do not exist for the duration of the failure. This does not apply to entitlements to dividend and liquidation gains if the notifications were not omitted willfully and have since been made. If the shareholder fails to disclose the correct proportion of voting rights held and the shareholder acted willfully or was grossly negligent, the rights attached to shares held by or attributed to such shareholder do not exist for a period of six months after such shareholder has correctly filed the necessary notification, except if the variation in the proportion of the voting rights notified in the preceding incorrect notification was less than 10% of the actual voting right proportion and no notification with respect to reaching, exceeding or falling below the aforementioned thresholds pursuant to Section 21 para. 1 WpHG was omitted. The same rules apply to shares held by a shareholder, if such shareholder fails to file a notice or provides false information with regard to holdings in instruments or aggregate holdings in shares and instruments pursuant to Sections 25 para. 1, 25a para. 1 WpHG. In addition, a fine may be imposed for failure to comply with notification obligations.

A shareholder who reaches or exceeds the threshold of 10% of the voting rights, or a higher threshold, is obligated to notify Rocket Internet SE within 20 trading days regarding the objective being pursued through the acquisition of voting rights, as well as regarding the source of the funds used for the purchase. Changes in those objectives must also be reported within 20 trading days. The Articles of Association have not made use of the option to release shareholders from this disclosure obligation. In calculating whether the 10% threshold has been reached or exceeded, the attribution rules mentioned above apply.

Furthermore, pursuant to the WpHG, every person whose share of voting rights reaches or exceeds 30% of the voting shares of Rocket Internet SE is obligated to publish this fact on the internet and by means of an electronically operated system for disseminating financial information, unless an exemption from this obligation has been granted by the BaFin. If no exemption has been granted, this publication has to be made within seven calendar days and include the total amount of voting rights held by and attributed to such person and, subsequently, such person is further required to submit a mandatory public tender offer to all holders of shares in Rocket Internet SE. The WpÜG contains a series of provisions intended to ensure the attribution of shareholdings to the person who actually controls the voting rights attached to the shares, comparable to the attribution rules described above for shareholdings pursuant to Section 22 WpHG. If a bidder fails to give notice of reaching or exceeding the 30% threshold or fails to submit the mandatory tender offer, the bidder is barred from exercising the rights associated with these shares, including voting rights, for the duration of the delinquency. In case of willful failure to publish the notice of acquisition of control over another company or submission of a mandatory tender offer or willful failure to subsequently send those notices in a timely fashion, the bidder is also not entitled to dividends. A fine may also be imposed in case of non-compliance with the notification obligations described above.

Persons discharging managerial responsibilities at Rocket Internet SE within the meaning of the MAR, such as the members of the Management Board and the Supervisory Board, have to notify Rocket Internet SE and the BaFin promptly and no later than three business days following transactions exceeding a total of €5,000 per annum in Rocket Internet SE's shares, debt instruments, or in related financial instruments undertaken for their own account (so-called managers' transactions). This also applies to persons or entities that are closely associated with such executives within the meaning of the MAR. Rocket Internet SE shall ensure that such managers' transactions notifications are made public promptly and no later than three business days after the transaction.

13. DESCRIPTION OF THE GOVERNING BODIES OF ROCKET INTERNET SE

13.1 Overview

Rocket Internet SE's corporate bodies are the Management Board (*Vorstand*), the Supervisory Board (*Aufsichtsrat*) and the shareholders' meeting (*Hauptversammlung*). Rocket Internet SE has a two-tier management and control system, consisting of the Management Board and the Supervisory Board. The powers of these governing bodies are determined by the SE-Regulation and the German Act on the SE-Implementation (*SE-Ausführungsgesetz*), the AktG, the Articles of Association and the internal rules of procedure of both the Supervisory Board and the Management Board.

The Management Board is responsible for managing Rocket Internet SE in accordance with applicable law, the Articles of Association and its internal rules of procedure, including the schedule of responsibilities. The Management Board represents Rocket Internet SE in dealings with third parties.

Simultaneous management and supervisory board membership in a European company (*Societas Europaea* (SE)) is not permitted under the SE-Regulation. However, in exceptional cases and for an interim period a member of the supervisory board may take a vacant seat on the management board of the same European company (*Societas Europaea* (SE)). During this period, such individual may not perform any duties for the supervisory board. Such stand-in arrangement is limited in time for a maximum period of one year if the European company (*Societas Europaea* (SE)) is domiciled in Germany.

The Supervisory Board determines the exact number of members of the Management Board. Pursuant to the Articles of Association, the Management Board consists of one or more members. The Supervisory Board also appoints the members of the Management Board and is entitled to dismiss each of them under certain circumstances. As set out in Article 40 of the SE-Regulation together with the AktG, the Supervisory Board advises and oversees the Management Board's administration of Rocket Internet SE, but is not itself authorized to manage Rocket Internet SE. The Articles of Association and the Supervisory Board may, however, designate the types of transactions that may only be made with the approval of the Supervisory Board. In addition, the Supervisory Board may itself make certain types of transactions subject to its consent. Matters subject to the prior consent of the Supervisory Board or of a committee of the Supervisory Board pursuant to the Articles of Association and the internal rules of procedure of the Management Board currently include, in particular:

- acquisition, sale and encumbrance of real estate and similar rights or rights in real estate in excess of €3.75 million[1] in the individual case;
- approval of the annual plan, in particular the budget plan including annual investment budget for each following year;
- individual investments in fixed assets exceeding an amount of €3.75 million in the individual case or exceeding the agreed annual investment budget;
- funding or third-party capital raisings (to the extent Rocket Internet SE can influence such matters) of an entity in which Rocket Internet SE directly or indirectly is (or becomes by way of such investment) a shareholder in excess of €10 million[2] per investment, provided

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1 The Articles of Association provide for a higher threshold of €5 million. However, the lower threshold of the rules of procedure applies.

2 Funding and third capital raisings in the range between €10 million and €50 million require approval by the Investment Committee of the Supervisory Board and funding and third capital raisings in excess of €50 million require approval by the Supervisory Board itself.

that this does not apply to funding or third capital raisings in which Rocket Internet SE does not participate and is not diluted by more than 25%;

- disposal or encumbrance of any assets including the shares in any entity in which Rocket Internet SE directly or indirectly is (or becomes by way of such investment) a shareholder with a value in excess of €20 million[3];
- listing of any entity in which Rocket Internet SE directly or indirectly is a shareholder (to the extent Rocket Internet SE can influence such matters);
- acquisition of any company, undertaking, enterprise or partial-business with a purchase price or other consideration in excess of €20 million[4];
- execution and amendment of agreements with definitively committed payment obligations that exceed an amount of €3.75 million in the individual case;
- assumption of sureties, guarantees or similar liabilities in excess of an amount of €5 million in aggregate, except for representations, warranties or indemnities under any of which the liability of Rocket Internet SE is limited to not more than (i) the amount of the third-party investor's investment into Rocket Internet SE in connection with a further investment of a third-party investor in Rocket Internet SE or (ii) to the total proceeds received by Rocket Internet SE in connection with a sale of assets of Rocket Internet SE provided that in case of (i) and (ii) the cap for any warranties related to any leakage for the benefit of Rocket Internet SE and related party agreements with Rocket Internet SE as a party may be uncapped;
- granting of loans in excess of €750,000 in the individual case and €7.5 million in the aggregate per year, excluding certain loans between Rocket Internet SE and any entity in which Rocket Internet SE directly or indirectly holds a participation;
- conclusion and termination of credit and borrowing agreements and other financial agreements in excess of €3.75 million in the individual case and amendments to the credit framework and extraordinary repayments, excluding certain loans between Rocket Internet SE and any entity in which Rocket Internet SE directly or indirectly holds a participation;
- futures transactions concerning currencies, securities and exchange-traded goods and rights as well as other transactions with derivative financial instruments, except for customary currency hedges;
- granting, introduction and amendment of pension commitments of any kind;
- granting and revocation of general proxies (*Prokura*) and general powers of attorney (*Generalvollmacht*);
- conclusion, amendment or termination of company collective agreements, works agreements (of substantial importance) and of general guidelines regarding the company pension scheme;

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3 The Articles of Association provide for a higher threshold of €50 million. However, the lower threshold of the rules of procedure applies.

4 The Articles of Association provide for a higher threshold of €50 million. Acquisitions (and the other measures described) in the range between €20 million and €50 million require approval by the Investment Committee of the Supervisory Board. Acquisitions (and the other measures described) in excess of €50 million require approval by the Supervisory Board itself.

- institution and termination of legal disputes, in particular, arbitration proceedings involving a judicial amount in controversy of more than €750,000[5] in the individual case;

- acquisition, disposition or licensing of intellectual property rights to any third party or having each a value of more than €1 million, as well as the passing on of know-how for the independent exploitation by the enterprise or third party, as well as the grant or acquisition of licenses, as well as the amendment of agreements with respect hereto, excluding any of the aforesaid measures or actions between Rocket Internet SE and any entity in which Rocket Internet SE directly or indirectly holds a participation;

- granting of a power of attorney, by which a proxy grants power of attorney to another proxy, in order to conclude an agreement with him at the expense of Rocket Internet SE; and

- certain business dealings of Rocket Internet SE and its companies with certain related parties.

Matters requiring the prior information of the Supervisory Board or a committee of the Supervisory Board pursuant to the Articles of Association and Section 7.1 of the internal rules of procedure of Rocket Internet SE's Management Board include, in particular:

- launch of new projects;

- modification of the fields of business of Rocket Internet SE and the termination of existing and commencement of new fields of business;

- establishment, relocation and closure of branch establishments and places of business in which Rocket Internet SE made an investment exceeding an amount of €1 million; and

- convening of the general meeting and proposals for resolutions.

In addition to the aforementioned transactions and measures, the Supervisory Board may subject other types of transactions and measures to its prior consent in the rules of procedure of the Management Board or of the Supervisory Board or by a resolution of its members. The Supervisory Board may also give revocable consent in advance to a certain group of transactions in general or to individual transactions that meet certain requirements.

According to Section 7.1 of the internal rules of procedure of the Management Board, the Management Board is also required to ensure, to the extent legally permissible, that most of the aforementioned measures in affiliated companies require its prior approval and may only grant its approval after the approval by the Supervisory Board or by a committee of the Supervisory Board which has been appointed for these purposes by the Supervisory Board has been obtained. The Supervisory Board may issue a general authorization for a specific type of business in the event that the individual type of business meets certain requirements in advance.

Each member of the Management Board and Supervisory Board owes a duty of loyalty and due care to Rocket Internet SE. Each member of these bodies must consider a broad spectrum of interests, particularly those of Rocket Internet SE and its shareholders, employees and creditors. In addition, the Management Board must also take into consideration the shareholders' rights to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be individually or jointly and severally liable with the other

[5] The Articles of Association provide for a higher threshold of €1 million. However, the lower threshold of the rules of procedure applies.

members of the Management Board or the Supervisory Board to Rocket Internet SE for compensatory damages, as the case may be.

Under German law, a shareholder generally has no right to proceed directly against members of the Management Board or Supervisory Board if he believes they have breached their duties to Rocket Internet SE. In general, only Rocket Internet SE has the right to enforce claims for damages against the members of the Management Board or Supervisory Board. With respect to claims against Supervisory Board members, Rocket Internet SE is represented by the Management Board, and with respect to claims against Management Board members, Rocket Internet SE is represented by the Supervisory Board. Under a decision of the German Federal Supreme Court (*Bundesgerichtshof*), the Supervisory Board is required to assert damages claims against the Management Board if they are likely to succeed unless significant interests of Rocket Internet SE conflict with the pursuit of such claims and outweigh the reasons for bringing such claim. If the governing body authorized to represent Rocket Internet SE decides not to pursue a claim, Rocket Internet SE's claims for damages against members of the Management Board or Supervisory Board must nevertheless be asserted if the general shareholders' meeting adopts a resolution to this effect by a simple majority. The general shareholders' meeting may appoint a special representative (*besonderer Vertreter*) to assert the claims. Shareholders, whose shares cumulatively make up 10% of the share capital or a *pro rata* share of €1 million, may also petition the court to appoint a special representative. In addition, the general shareholders' meeting may appoint special auditors (*Sonderprüfer*) to audit transactions, particularly management transactions, by simple majority vote. If the general shareholders' meeting rejects a motion to appoint a special auditor, the court must appoint a special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a *pro rata* share of €100,000 if facts exist that justify the suspicion that the transaction was accompanied by dishonesty or gross violations of the law or the articles of association. If the general shareholders' meeting appoints a special auditor, the court must appoint another special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a *pro rata* share of €100,000 if this appears necessary due to the identity of the special auditor who was appointed.

Shareholders and shareholder associations can solicit other shareholders to file a petition, jointly or by proxy, for a special audit, for the appointment of a special representative, or to convene a general shareholders' meeting or exercise voting rights in a general shareholders' meeting in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If there are facts that justify the suspicion that Rocket Internet SE was harmed by dishonesty or a gross violation of law or the articles of association, shareholders who collectively hold 1% of the share capital or a *pro rata* share of €100,000 may also, under certain further conditions, seek damages from members of Rocket Internet SE's governing bodies in their own names through court proceedings seeking leave to file a claim for damages. Such claims, however, become inadmissible if Rocket Internet SE itself files a claim for damages.

Rocket Internet SE may only waive or settle claims for damages against members of the Management Board or Supervisory Board if three years have lapsed since such claims arose and if the shareholders grant their consent at the general shareholders' meeting by simple majority vote, provided that a minority of the shareholders whose shares cumulatively constitute 10% of the share capital does not object.

Under German law, individual shareholders and all other persons are prohibited from using their influence on Rocket Internet SE to cause a member of the Management Board or the Supervisory Board to take an action that would be detrimental to Rocket Internet SE. A shareholder with a controlling influence may not use that influence to cause Rocket Internet SE to act contrary to its own interests unless there is a domination agreement (*Beherrschungsvertrag*) between the shareholder and Rocket Internet SE and the influence remains within the bounds of certain mandatory provisions of law or compensation is paid for the disadvantages that arise. Any person who uses his influence on

Rocket Internet SE to cause a member of the Management Board or the Supervisory Board, an authorized signatory (*Prokurist*), or an authorized agent (*Handlungsbevollmächtigter*) to act to the detriment of Rocket Internet SE or its shareholders may be liable to compensate Rocket Internet SE and the affected shareholders, respectively, for the resulting losses. Moreover, in this context, the members of the Management Board and Supervisory Board are jointly and severally liable if their actions or omissions amount to a violation of their duty of due care.

13.2 Management Board

13.2.1 Current Composition of the Management Board

Under the Articles of Association, the Management Board must consist of one or more persons and the Supervisory Board determines the exact number of the members of the Management Board. The Supervisory Board appoints members of the Management Board for a period of no more than five years. The Supervisory Board may appoint a Management Board member as chairman of the Management Board and another member as deputy chairman. Currently, Rocket Internet SE's Management Board consists of three members, with Oliver Samwer appointed as Chief Executive Officer.

Reappointment or extension, each for a maximum period of up to five years, is permissible. The Supervisory Board may revoke the appointment of a Management Board member prior to the expiration of his or her term for good cause, such as a gross breach of fiduciary duties, or if the general shareholders' meeting passes a vote of no confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating employment agreements with Management Board members and, in general, for representing Rocket Internet SE in and out of court against the Management Board. The Management Board is directly responsible for managing Rocket Internet SE.

In the event that the Management Board consists of three members, Management Board meetings are quorate if all its members have been invited and at least half of the members participate in the meeting either in person or through, *inter alia*, electronic means. Members who abstain from voting are also considered to be participating. The Management Board adopts resolutions by a majority of the votes cast in general by the participating members. Further details, particularly regarding composition, duties, overall responsibility, allocation of responsibility for particular functions and internal organization are governed by the rules of procedure for the Management Board which were adopted by the Supervisory Board on March 18, 2015 and entered into force on the same date.

Rocket Internet SE is represented *vis-à-vis* third parties and in court proceedings by two members of the Management Board or a member of the Management Board jointly with an authorized signatory. The Supervisory Board may determine that all or specific members of the Management Board are authorized to represent Rocket Internet SE individually.

The internal rules of procedure for the Management Board require that the delegation of responsibilities to individual Management Board members is established on the basis of the business distribution plan (*Geschäftsverteilungsplan*). The business distribution plan is part of the rules of procedure for the Management Board and is prepared by the Supervisory Board.

The table below lists the current members of the Management Board:

Name/Position	Age	Member since	Appointed until	Responsibilities
Oliver Samwer	44	2014	March 15, 2020	Chief Executive Officer
Peter Kimpel	48	2014	March 15, 2020	Chief Financial Officer
Alexander Kudlich(1)	36	2014	March 15, 2020	Group Managing Director

(1) Until the transformation into a stock corporation, the listed board member held the position of a Managing Director.

The following description provides summaries of the *curricula vitae* of the current members of the Management Board and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group.

Oliver Samwer was born in Cologne, Germany, in 1972. Mr. Samwer holds a degree in business administration from WHU–Otto Beisheim School of Management. Upon graduation, Mr. Samwer and his two brothers founded Alando.de in 1999, which became the leading consumer-to-consumer online auction site in Germany. After the sale of Alando.de to eBay Inc., Mr. Samwer was Managing Director of eBay, responsible for Germany, Switzerland and Austria. In 2000, Mr. Samwer and his two brothers founded Jamba! AG, which was acquired by Verisign Inc. in 2004. In 2007, Mr. Samwer founded Rocket Internet SE and since 2014, has served as Chief Executive Officer. He is responsible for strategy development and implementation, business development, investee company leadership and investor relations.

Alongside his office as Rocket Internet SE's Chief Executive Officer and chairman of the Management Board, Mr. Samwer is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Rocket Internet network of companies:

Currently:

- Atonis Holding GmbH (managing director);
- International Digital Services Middle East GmbH (managing director);
- International Digital Services Middle East Holding GmbH (managing director);
- Kastanien Management GmbH (managing director);
- MOAS Verwaltung GmbH (managing director); and
- Odysseus GmbH (managing director).

Previously:

- Global Founders GmbH (managing director);
- Juwel 201. V V UG (managing director);
- MyHammer AG (member of the supervisory board); and
- MyHammer Holding AG (member of the supervisory board).

In addition, Oliver Samwer is a member of the administrative, management or supervisory bodies of and/or a partner of various companies of the Rocket Internet network.

Other than listed above, Oliver Samwer has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Peter Kimpel was born in Freiburg, Germany, in 1968. Mr. Kimpel earned an international baccalaureate degree from Armand Hammer United World College of the American West in 1987. Thereafter, he studied at WHU – Otto Beisheim School of Management in Koblenz, Germany, where he received a degree in Business Administration (*Diplom Kaufmann*) in 1992. Upon graduation, Mr. Kimpel began his career with Goldman Sachs as an analyst at Goldman Sachs International London. Between 1992 and 2000, Mr. Kimpel held various other positions at Goldman Sachs, including associate at Goldman Sachs & Co. New York/San Francisco and associate and later vice president at Goldman Sachs & Co. oHG, Frankfurt. After he had become managing director of Internet Capital Group in London and Munich in 2000, Mr. Kimpel rejoined Goldman Sachs as vice president of Goldman Sachs Ventures until 2002. From 2002 to 2004, Mr. Kimpel worked as vice president of Goldman Sachs International London and Goldman Sachs & Co. oHG, Frankfurt, the latter of which he served as managing director from 2004 to 2006. Subsequently, from 2006 to 2010, Mr. Kimpel worked as managing director of Goldman Sachs International London, where he was promoted to partner in 2010. In 2014, Mr. Kimpel left Goldman Sachs and became Rocket Internet SE's Chief Financial Officer. He is responsible for finance, investor relations, legal, risk & compliance and internal audit.

Alongside his office as Rocket Internet SE's Chief Financial Officer and member of the Management Board, Peter Kimpel is not, and has not been within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in companies and partnerships outside the Rocket Internet network of companies.

Alexander Kudlich was born in Bonn, Germany in 1980. Mr. Kudlich studied business administration with a specialization in finance and accounting at the University of St. Gallen in Switzerland from 1999 to 2004 and graduated as Lic.oec.(HSG). In 2005, Mr. Kudlich received a Master of Arts degree in philosophy from the University College London in the United Kingdom. He also holds a Master of Business Administration from the European School of Management and Technology. In 2005, upon graduation from the University College London, Mr. Kudlich joined Axel Springer AG as the Assistant of the Chairman and CEO (Dr. Mathias Döpfner). From 2008 to 2011, Mr. Kudlich worked in various managerial positions in a group company of Axel Springer AG – ZANOX AG, including as regional managing director for Asia Pacific and Central and Eastern Europe. In 2011, Mr. Kudlich joined Rocket Internet SE. As Group Managing Director, Mr. Kudlich is responsible for operations, product development, logistics, customer services, technology and human resources.

Alongside his office as Rocket Internet SE's Group Managing Director and member of the Management Board, Alexander Kudlich is a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Rocket Internet network of companies:

Currently:

- TEIXL Investments GmbH (managing director)

Previously:

- Jay Art GmbH (advisory board member); and
- Tools (Messe Berlin) (advisory board member).

In addition, Alexander Kudlich is a member of the administrative, management or supervisory bodies of and/or a partner of various companies of the Rocket Internet network.

Other than listed above, Alexander Kudlich has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

The members of the Management Board may be reached at Rocket Internet SE's office at Charlottenstraße 4, 10969 Berlin, Germany (tel. +49 (0) 30 300 13 18-00).

13.2.2 Management Service Agreements

Under the service agreements with Rocket Internet SE, Oliver Samwer, Peter Kimpel and Alexander Kudlich are employed for a term of five years, unless an extension is agreed upon prior to expiration. If a Management Board member becomes permanently incapacitated, his service agreement with Rocket Internet SE will end at the end of the calendar quarter in which such permanent incapacity is determined. Rocket Internet SE and any Management Board member may terminate the relevant service agreement for cause in accordance with Section 626 of the German Civil Code (*Bürgerliches Gesetzbuch*).

Oliver Samwer is subject to a non-competition obligation for the term of his service agreement and for a period after termination of (i) 12 months if terminated by Mr. Samwer for good cause, or (ii) six months otherwise. Under the terms of the service agreement, the following interests, shares, and participations have been exempted from Mr. Samwer's non-competition obligation: (i) less than 10% of the nominal share capital of publicly listed competing enterprises, if held for investment purposes; (ii) less than 50% of the nominal share capital of competing enterprises, if held via any of three enumerated investment funds; and (iii) those already directly or indirectly held by Mr. Samwer as of the date of the service agreement. The Supervisory Board, by approval of 80% of its members, may exempt additional activities of Mr. Samwer from the non-competition obligation. Further, Mr. Samwer is subject to a non-solicitation obligation during the term of his service agreement and for a two-year period following the end of his service agreement.

Each other member of the Management Board is subject to a non-compete obligation during the term of his service agreement, as well as to a non-solicitation obligation during and for a two-year period following the end of his service agreement.

The service agreements of the members of the Management Board do not provide for any benefits upon termination of the employment of a member of the Management Board.

13.2.3 Remuneration and Other Benefits of the Management Board Members

According to the resolution of an extraordinary shareholders' meeting of Rocket Internet SE held on August 22, 2014, we do not disclose the individual compensation for each member of the Management Board in accordance with Sections 285 no. 9, 315a para. 1 and 314 para. 1 of the German Commercial Code (*Handelsgesetzbuch*) in connection with Art. 61 of the SE-Regulation (as amended from time to time). The aggregate fixed annual salary payable to the members of the Management Board under the aforementioned service agreements is approximately €1.8 million. Furthermore, the Management Board members participate in Rocket Internet SE's long-term incentive stock option plan (see "*13.4 Share Participation Plan*"). The total amount of remuneration is deemed full consideration for all services rendered, including for the performance of responsibilities at subsidiaries. For an overview of the remuneration received by members of the Management Board see "*14.6 Relationship with Members of the Management Board*".

Additionally, Rocket Internet SE bears 50% of the costs of the Management Board members' private health insurance, but no more than the cost that would occur in the public health insurance system. Rocket Internet SE pays a monthly gross amount of the applicable employer's contribution to the statutory pension and unemployment insurance, taking into account the contribution ceiling (*Beitragsbemessungsgrenze*).

All Management Board members are reimbursed for out-of-pocket expenses, including travel expenses. In the event of a temporary incapacity to work as a result of health or other reasons, all Management Board members' service agreements provide that the relevant base salary will continue to be paid for up to six weeks, but not beyond the expiry of the service agreement. Finally, in the case of a Management Board member's death, the member's surviving spouse, or registered partner, and eligible surviving children are entitled jointly to the relevant base salary for the remainder of the month of death and the following three months.

The members of the Management Board are covered by directors and officers ("**D&O**") insurance policies with coverage in line with best market practice and a deductible in line with the respective provisions of the AktG. The D&O insurance policies also cover the risk of criminal prosecution.

13.2.4 Shareholdings of the Management Board Members

Oliver Samwer is a shareholder in MOAS GmbH & Co. KG, MOAS Nr. 2 GmbH & Co. KG and MOAS Nr. 3 GmbH & Co. KG, which hold in the aggregate approximately 1.0% of Rocket Internet SE's shares.

Oliver Samwer Familienstiftung indirectly holds the Rocket Internet SE shares previously held by Oliver Samwer through Global Founders GmbH. The shares held indirectly by Oliver Samwer Familienstiftung represent 12.4% of Rocket Internet SE's share capital. Please refer also to "*10.1 Shareholder Structure*".

In October 2014, the Supervisory Board resolved to grant 4,541,712 stock options to Oliver Samwer, 454,171 stock options to Peter Kimpel and 454,171 stock options to Alexander Kudlich. In July 2016, the Supervisory Board resolved to grant Alexander Kudlich 292,680 additional stock options, resulting in Alexander Kudlich holding in total 746,851 stock options. Further, Alexander Kudlich is beneficiary of several management equity participation programs of various companies.

13.3 Supervisory Board

In accordance with the Articles of Association and Article 40 para. 3 and 9 para. 1 lit. c(i) of the SE–Regulation together with Section 17 of the SE Implementation Act (*SE–Ausführungsgesetz*) and Sections 95 and 96 AktG, the Supervisory Board consists of nine members. All members of the Supervisory Board are appointed by Rocket Internet SE's general shareholders' meeting. The general shareholders' meeting may appoint substitute members for one or more Supervisory Board members, who, in accordance with specific determinations by the general shareholders' meeting, may become members of the Supervisory Board if the elected Supervisory Board members leave office before the end of their term. The term of the substitute member expires as soon as a successor for the departing Supervisory Board member is appointed by a majority of at least 75% of the votes cast, but no later than the expiration of the departing Supervisory Board member's term. Re-election of members of the Supervisory Board is possible.

Unless the general shareholders' meeting has set a longer term, the Supervisory Board members, as well as the term of each substitute member, if any, are elected for a period terminating at the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth year following the commencement of the member's term of office, however, in no case for more than six years. The year in which the term of office begins shall be included in this calculation. Members of the Supervisory Board may be elected for a term of office of up to six years. The appointment of a successor for a member leaving his or her office before the end of his or her term of office is valid for the remainder of the term of office of the departing member, provided that the general shareholders' meeting has not determined a different term of office for the successor.

Supervisory Board members elected by the general shareholders' meeting may be removed by a resolution of the general shareholders' meeting if such resolution is approved by at least 75% of the votes cast. In addition, regular and substitute members of the Supervisory Board may resign, without good cause, by giving two weeks' notice to Rocket Internet SE, represented by a member of the Management Board. The right to resign for good cause without any notice period remains unaffected by the foregoing. Following the general shareholders' meeting, in the course of which the members of the Supervisory Board are elected by the general shareholders' meeting for a new term, the Supervisory Board will elect a chairman and a deputy chairman from among its members to serve for the duration of those members' terms. Should the chairman or deputy chairman leave office prior to the expiration of his or her term, the Supervisory Board must elect a new chairman or a deputy chairman from among its members without delay, to complete the remaining term of the departing chairman or deputy chairman.

Under mandatory statutory provisions and the Articles of Association, the Supervisory Board is authorized to establish internal rules of procedure and form committees made up of at least three individuals from its members. The Supervisory Board's internal rules of procedure were approved by the Supervisory Board on March 18, 2015 and have taken effect as of the same day. The Supervisory Board is authorized to make amendments to the Articles of Association that only affect their wording. The Supervisory Board must hold at least one meeting within each quarter of a year. However, it resolved to hold two meetings in the first half of 2016 and no mandatory meeting in the first quarter of that year. Meetings of the Supervisory Board are usually called by its chairman with 14 days' advance notice in writing, by e-mail or facsimile. The day on which the notice is sent and the day of the meeting itself are not included when calculating this period. In urgent cases, the chairman can shorten the notice period.

The rules of procedure for the Supervisory Board provide that all Supervisory Board members must have been invited and at least half of the Supervisory Board members must participate in voting on a resolution to constitute a quorum. Any member that is present but abstains from voting is deemed to have participated in the vote for purposes of calculating the required quorum. Absent members may participate in the casting of votes pursuant to Article 9 para. 1 lt. c(iii) of the SE-Regulation together with Section 108 para. 3 AktG. Resolutions of the Supervisory Board are passed by a simple majority of the votes cast. For purposes of passing a resolution, abstentions do not count as votes cast. The Articles of Association provide that, per the chairman's instruction, resolutions may be passed by submitting votes to the chairman in writing, by telephone or facsimile, or by equivalent means of communication. The Supervisory Board's internal rules of procedure exclude the right of a member of the Supervisory Board to object to such instruction by the chairman.

13.3.1 Members of Rocket Internet SE's Supervisory Board

The table below lists the current members of the Supervisory Board:

Name	Age	Member since(1)	Appointed until(2)	Principal occupation outside of the Group
Prof. Dr. Marcus Englert........... *Chairman*	51	August 22, 2014	2017	General Partner at Texas Atlantic Capital
Norbert Lang............................. *Deputy chairman*	55	August 22, 2014	2017	Management Consultant
Prof. Dr. h.c. Roland Berger	79	August 22, 2014	2017	Founder and Honorary Chairman of Roland Berger GmbH
Dr. Martin Enderle....................	51	June 23, 2015	2017	Management Consultant
Stefan Krause............................	54	Jun 9, 2016	2018	Industry and Banking Manager
Pierre Louette............................	54	June 9, 2016	2018	Chief Executive Officer Delegate, General Secretary, Operators (France) and Purchasing at Orange S.A.
Napoleon L. Nazareno	67	August 22, 2014	2018	Director, Philippine Long Distance Telephone Company
Prof. Dr. Joachim Schindler......	59	June 23, 2015	2017	Wirtschaftsprüfer (Chartered Accountant), Steuerberater (Tax Adviser)
Daniel Shinar	35	August 22, 2014	2018	Chief executive officer in Claltech limited Partnership

(1) Prior to Rocket Internet SE's change in legal form into a European company (*Societas Europaea* (SE)), the Supervisory Board membership refers to the supervisory board of Rocket Internet AG and the optional supervisory board of Rocket Internet GmbH.

(2) The Supervisory Board members are appointed until the end of the annual general shareholders' meeting of the respective year, which typically takes place in or around June of the respective year.

The following description provides summaries of the *curricula vitae* of the current members of Rocket Internet SE's Supervisory Board, and indicates their principal activities outside the Group to the extent those activities are significant with respect to the Group.

Prof. Dr. Marcus Englert was born in Munich, Germany in 1965. Prof. Dr. Englert received a master's degree in physics from Ludwig-Maximilians-University, Munich, in 1991. He then received his PhD in nuclear physics from the European Organization for Nuclear Research (CERN), Geneve, and a Master of Business Administration from INSEAD, Fontainebleau in 1996. He started his career in 1994 as a consultant at Boston Consulting Group, Munich. In 1998 and 1999 he served as managing director of ProSieben Media AG and from 2000 until 2003 he was chief executive officer of Kirch New Media AG, Munich, before he was appointed as member of the management board of ProSiebenSat.1. Media AG, Munich, in 2004. Since 2011, he has been working as a senior advisor at Solon Management Consulting GmbH & Co. KG, Munich.

Alongside his office as the deputy chairman of Rocket Internet SE's Supervisory Board, Prof. Dr. Englert is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Texas Atlantic Capital Partners GmbH (managing director);
- Solon Management Consulting GmbH & Co. KG, Munich (managing director and associate partner);
- iBrothers Capital GmbH (managing director);

- iBrothers Media GmbH (managing director);
- Media Broadcast GmbH (chairman of the supervisory board);
- Pine Hill Capital Europe GmbH & Co. KG (general partner);
- Pine Hill Capital LP (general partner);
- Texas Atlantic Capital LP (general partner);
- Sixt Leasing AG (vice chairman of the supervisory board); and
- EDSA European Directories Group (chairman of the board of directors).

Previously:

- Media Broadcast GmbH (chairman of the supervisory board);
- Demekon Entertainment AG (member of the supervisory board); and
- Real Time Technology AG (vice chairman/chairman of the supervisory board).

Other than listed above, Prof. Dr. Englert has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Norbert Lang was born in Duisburg, Germany, in 1961. Mr. Lang began his career with a training program as a banker, followed by various positions at different banks in Germany. In 1994, Mr. Lang became financial officer of United Internet AG. In 2000, he became a member of the management board of United Internet AG and from 2002 until 2015 served as the companies CFO.

Alongside his office as member of Rocket Internet SE's Supervisory Board, Mr. Lang is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Drillisch AG (member of the supervisory board); and
- Hi-Media S.A. (member of the supervisory board).

Previously:

- United Internet AG (chief financial officer);
- united-domains AG (deputy chairman of the supervisory board);
- Versatel Telecommunication GmbH (deputy chairman of the advisory board);
- 1&1 Telecommunication SE (member of the supervisory board);
- 1&1 Internet Service Holding GmbH (managing director);
- 1&1 Internet SE (member of the management board);

- 1&1 Mail & Media Development & Technology GmbH (managing director);
- 1&1 Telecom Service Holding Montabaur GmbH (managing director);
- United Internet Media AG (member of the supervisory board);
- United Internet Beteiligungen GmbH (managing director);
- United Internet Ventures AG (member of the management board);
- United Internet Corporate Services GmbH (managing director);
- United Internet Service SE (member of the management board);
- United Internet Service Holding GmbH (member of the management board);
- 1&1 Mail & Media Applications SE (member of the management board);
- Versatel AG (member of the supervisory board);
- GMX & WEB.DE Mail & Media SE (member of the supervisory board);
- MIP Multimedia Internet Park GmbH (managing director);
- Versatel Telecommunications GmbH (member of the advisory board); and
- 1 & 1 Telecommunication SE (member of the management board).

Other than listed above, Norbert Lang has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Prof. Dr. h.c. Roland Berger was born in Berlin, Germany, in 1937. Prof. Dr. h.c. Berger studied business administration in Hamburg and Munich. In 1967, Prof. Dr. h.c. Berger founded the strategy consultancy Roland Berger, where he served as CEO until 2003. From 2003 to 2010, Prof. Dr. h.c. Berger was chairman of the supervisory board of the strategy consultancy Roland Berger. Since 2010, Prof. Dr. h.c. Roland Berger has been serving as honorary chairman of the strategy consultancy Roland Berger. Since 1996, he has been a lecturer and visiting professor and, starting in 2000, an honorary professor for business administration and management consulting at the Brandenburg Technical University in Cottbus, Germany.

Alongside his office as member of Rocket Internet SE’s Supervisory Board, Prof. Dr. Berger is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Roland Berger Holding GmbH (until 2010: chairman of the supervisory board, now: honorary chairman);
- Schuler AG (member of the supervisory board);
- Uniplan International GmbH & Co. KG (member of the supervisory board);
- WMP EuroCom AG (member of the supervisory board);

- Banzai S.p.A. (independent director);
- EC Euro-Consult Gesellschaft für Unternehmensberatung mbH (manager);
- Europäische Franchise-Beratungs-Gesellschaft mbH (manager);
- Fresenius Management SE (member of the supervisory board);
- Fresenius SE & Co. KGaA (member of the supervisory board);
- ITA 1 SV LP (director);
- ITA 1 SV Ltd. (director);
- RiverRock European Capital Partners LLP (director);
- RiverRock European Capital Master Fund Plc. (director);
- RiverRock European Opportunities Fund Ltd. (director);
- RiverRock Securities Ltd. (director);
- RiverRock UK Ltd. (director); and
- RSP Holding AsP (director).

Previously:

- Deutsche Oppenheim Family Office AG (deputy chairman of the supervisory board);
- Geox S.p.A. (director);
- RCS Mediagroup S.p.A (vice president);
- 3W Power S.A. (member of the board and chairman);
- Evisco AG (chairman of the supervisory board);
- FIAT S.p.A. (member of the board of directors);
- Impregilo S.p.A. (member of the board of directors);
- Italy1 Invest. S.p.A., Luxemburg (executive director);
- Prime Office AG (member of the supervisory board);
- Prime Office REIT-AG (chairman of the supervisory board); and
- RiverRock European Capital Management Ltd. (director).

Other than listed above, Prof. Dr. h.c. Roland Berger has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Dr. Martin Enderle was born in Karlsruhe, Germany, in 1965. Mr. Enderle studied mathematics and physics in Karlsruhe, London and Hannover. He received a doctorate degree from the University of Hanover in 1995. From 1995 to 1999, Mr. Enderle worked with McKinsey & Company as a consultant in the automotive and telecommunications industry. After further engagements with, among others, T-Online International AG as SVP International Business and as CEO of Scout 24 Holding GmbH, Mr. Enderle now acts as management consultant.

Alongside his office as member of Rocket Internet SE's Supervisory Board, Dr. Enderle is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- allmyhomes GmbH (managing director);
- Chaconne GmbH (managing director);
- digi.me GmbH (managing director);
- feegoo invest UG (managing director);
- CEWE Stiftung & Co. KGaA (member of the board of trustees); and
- Egmont Foundation (member of the board of trustees).

Previously:

- Scout 24 Holding GmbH (chief executive officer);
- Interactive Media CCSP GmbH (chairman of the supervisory board);
- Click&Buy Holding GmbH (chairman of the supervisory board);
- T-Venture Funds GmbH (member of the advisory board); and
- DeTeMedien, Deutsche Telekom Medien GmbH (chairman of the supervisory board).

Other than listed above, Dr. Martin Enderle has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Stefan Krause was born in Bogota, Colombia, in 1962. Mr. Krause received a Master of Business degree from Unversity of Würzburg. He started his career as a project manager with Conica Ltd. in Colombia in 1986. In 1987 he joined BMW AG. After various positions with BMW AG, he became group chief financial officer at Deutsche Bank Aktiengesellschaft in 2008, where he served until 2015.

Alongside his office as member of Rocket Internet SE's Supervisory Board, Mr. Krause is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- WarburgPincus (senior advisor);

- Juvia GmbH (chairmen of the advisory board); and
- Member of the Board of the Schmalenbach Gesellschaft für Betriebswirtschaft e.V. (president of the joint board).

Previously:

- Deutsche Bank Aktiengesellschaft (member of the management board/CFO, transaction bank, non-core business);
- Postbank AG (chairman of the supervisory board);
- BHF Bank AG (chairman of the supervisory board);
- Deutsche Bank Luxembourg (chairman of the supervisory board); and
- Deutsche Bank Europe (chairman of the supervisory board).

Other than listed above, Stefan Krause has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Pierre Louette was born in Paris, France, in 1962. Mr. Louette received degrees from Paris Institute of Political Studies and French National School of Administration. After a position as executive advisor in communication and new technologies in the French prime minister office from 1993 to 1995, and various other positions such as general secretary and executive vice president for communication at France Télévisions from 1995 to 1996, executive vice president at LVMH from 2002 to 2003, and chairman and chief executive officer at Agence France Presse from 2003 to 2010, he joined Orange group in 2010 where he is deputy chief executive officer since 2016.

Alongside his office as member of Rocket Internet SE's Supervisory Board, Mr. Louette is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Orange Group (deputy chief executive officer);
- Orange Group Orange Digital Ventures – (president);
- Orange Group (general secretary, corporate affairs);
- Orange Espagne S.A.U., Madrid (director);
- Orange Middle East and Africa S.A., Paris (director);
- Orange Digital Ventures S.A.S., Paris (president);
- Orange Spain Plc., London (director);
- Iris Capital Management S.A.S., Paris (member of the supervisory board);
- Deezer S.A., Paris (permanent representative of Orange participations);
- Buyin S.A., Brussels (director); and

- Dailymotion S.A., Paris (director).

In addition, Pierre Louette is a member of the administrative, management or supervisory bodies of and/or a partner of various companies of the Rocket Internet network.

Other than listed above, Pierre Louette has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Napoleon L. Nazareno, was born in Cebu City, Philippines, in 1949. In 1970, Mr. Nazareno received a bachelor of science in mechanical engineering from the University of San Carlos in Cebu City, Philippines. In 1973, he received a Master in Business Management from the Asian Institute of Management in Makati City, Philippines. Mr. Nazareno has also completed the INSEAD Executive Program at the European Institute of Business Administration in Fontainebleau, France. Mr. Nazareno started his career in 1981 at Akerlund & Rausing, occupying senior management to top level positions and, in 1989, became the president and chief executive officer of Akerlund & Rausing (Phils.), Inc. In 1995, he moved to Metro Pacific Corporation where he served as president and chief executive officer until December 1999. In 1998, Mr. Nazareno became a director of Philippine Long Distance Telephone Company and, in 2000, became the president and chief executive officer of Smart Communications, Inc. From 2004 to 2015, he served as president and chief executive officer of Philippine Long Distance Telephone Company.

Alongside his office as member of Rocket Internet SE's Supervisory Board, Mr. Nazareno is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Asian Institute of Management (chairman of the board of trustees and board of governors);
- First Pacific Leadership Academy (president and trustee);
- Ideaspace (trustee); and
- Philippine Disaster Recovery Foundation, Inc. (trustee).

Previously:

- Aces Philippines Cellular Satellite Corporation (president);
- CIGNAL (director);
- Connectivity Unlimited Resources Enterprise Inc. (president and chief executive officer);
- Digitel Mobile Philippines Inc. (chairman and director);
- Digital Telecommunications, Philippines Inc. (chairman and director);
- ePLDT (chairman and director);
- First Pacific Company Limited (non-executive director);
- GSM Association Worldwide (member of the board);

- i-Contacts Corporation (chairman);
- Mabuhay Satellite Corporation (director);
- Manila Electric Company (director);
- Meralco Powergen Corporation (director);
- Operation Smile (director);
- Philippine Long Distance Telephone Company (president and chief executive officer);
- Philweb (director);
- PLDT Communications and Energy Ventures (chairman, president and chief executive officer);
- PLDT Global Corporation (director);
- Rufino Pacific Tower Condominium Corp (director);
- Smart Broadband, Inc. (chairman);
- Smart Communications, Inc. (president and chief executive officer);
- SMART e-Money, Inc. (chairman of the board);
- Wholesale Applications Community (director); and
- Wolfpac Mobile, Inc. (chairman and director).

Other than listed above, Napoleon L. Nazareno has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Prof. Dr. Joachim Schindler was born in Herford, Germany, in 1957. Prof. Dr. Schindler received a degree in business administration from the University of Cologne in 1982 and a PhD in 1986 from University Hagen. After an engagement with a medium sized accounting firm from 1982 to 1989, he started his career at KPMG where he held various management positions, including Global Head of Audit until 2013. He left KPMG in 2015. Since 2007 he has been a member of the Board of the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany). In 2009, Prof. Dr. Schindler became honorary professor of Freie Universität Berlin.

Alongside his office as member of Rocket Internet SE’s Supervisory Board, Prof. Dr. Schindler is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (chairman of the board);
- Centogene AG (chairman of the supervisory board);

- Medizinische Hochschule Brandenburg CAMPUS GmbH, (deputy chairman of the supervisory board); and

- Zoologischer Garten Berlin AG (member of the supervisory board).

Other than listed above, Prof. Dr. Joachim Schindler has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

Daniel Shinar was born in Jerusalem, Israel, in 1981. Mr. Shinar received a law degree (LLB, with honors) and a Master of Business Administration from the Hebrew University of Jerusalem. Mr. Shinar also received alumni status from Harvard Business School, where he completed the school's Program for Leadership Development. Mr. Shinar is the CEO of Claltech, a technology focused Israeli investment company supported by its parent companies: Access Industries and Clal Industries. Clal Industries is one of Israel's largest holding companies. Clal is wholly owned by Access Industries. Mr. Shinar joined Clal in 2007 and his last role was Vice President of Business Development. He leads Access Industries' technology investments in Israel via ClalTech. He also serves on board positions at both public and private companies on behalf of Clal Industries and Access Industries. Those companies include market leaders in the technology, retail and industrial sectors. From 2005 to 2007, Mr. Shinar held an investment analysis position at Elron Electronic Industries, a publically traded technology investment company. Prior to that, Mr. Shinar served as a team-leader in technology oriented governmental organizations where he led teams to solve complex operational and technological problems.

Alongside his office as member of Rocket Internet SE's Supervisory Board, Mr. Shinar is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies and partnerships outside the Group:

Currently:

- Dynamic Yield (director);

- LightCyber (director);

- Claltech limited Partnership (chief executive officer);

- Tigo Energy Inc. (director);

- CTM Holdings & Initiating Ltd. (director);

- CT-MS Holdco Ltd. (director);

- Infinity Funds (member of the investment committees);

- Nesher Cement Enterprises Ltd. (director);

- Mashav Initiating and Development Ltd. (director); and

- Golf and Co. Ltd. (director).

Previously:

- Yotpo Ltd. (board observer);

- ZooZ Mobile Ltd. (board observer);

- Jordan Valley Semiconductors Ltd. (director);
- Aternity Inc. (director);
- Clal Motors Ltd. (director);
- Clal Biotechnology Ltd. (director);
- Clal Industries Ltd. (vice president of business development);
- Spectrum 700 Holding LLC (director);
- Jafora Ltd. (director);
- Jafora-Tabori Ltd. (director);
- Lazada Group S.A. (Member of the board of directors); and
- 013 Netvision Ltd. (director).

In addition, Daniel Shinar is a member of the administrative, management or supervisory bodies of and/or a partner of various companies of the Rocket Internet network.

Other than listed above, Daniel Shinar has not been a member of any administrative, management or supervisory body of any other company or partnership outside the Rocket Internet network of companies within the last five years.

The members of the Supervisory Board can be reached at Rocket Internet SE's office at Charlottenstraße 4, 10969 Berlin, Germany (tel. +49 (0) 30 300 13 18-00).

13.3.2 Supervisory Board Committees

Under the Articles of Association, the Supervisory Board may form committees from among its members. According to the Supervisory Board's rules of procedure (Sections 10 through 15), the Supervisory Board shall form an Audit Committee, a Nomination Committee, an Executive Committee, an Investment Committee and a Remuneration Committee from among its members. Other committees may be formed, if necessary. The Supervisory Board's decision-making authority may be delegated to these committees to the extent permitted by law. The following committees have been established by the Supervisory Board:

The **Audit Committee** (*Prüfungsausschuss*) consists of three members and is concerned, in particular, with the oversight of Rocket Internet SE's accounting process and the effectiveness of its internal control system, internal auditing system, as well as the audit of the annual financial statements including required independence of the auditor and additional services provided by the auditor, the conclusion of audit agreements with the auditor, setting focus points for the audit and agreeing audit fees and – unless another committee is entrusted therewith – compliance. It shall prepare the Supervisory Board's resolutions on the annual financial statements (including group statements) and the Supervisory Board's proposal to the general shareholders' meeting upon the election of the auditor, and the instruction of the auditor. The chairman of the Audit Committee shall have specialist knowledge and experience in the application of accounting standards and internal control processes. Furthermore, the chairman of the Audit Committee shall be independent and may not be a former member of the Management Board whose appointment ended less than two years prior to his appointment as chairman of the Audit Committee.

The current members of the Audit Committee are:

Name	Responsibilities
Prof. Dr. Joachim Schindler	Chairman
Stefan Krause	Member
Norbert Lang	Member

Section 107 para. 4 AktG requires Rocket Internet SE to have at least one independent member of the audit committee with expertise in the fields of accounting or auditing in the meaning of Section 100 para. 5 AktG. Members of the Supervisory Board and the audit committee are considered to be independent if such members have no business or personal relations with Rocket Internet SE, the Management Board, controlling shareholders or related parties which could cause a substantial and not merely temporary conflict of interest. As concerns the Supervisory Board and audit committee of Rocket Internet SE, Prof. Dr. Schindler is considered to possess the respective expertise and independence.

The **Nomination Committee** (*Nominierungsausschuss*) shall make recommendations to the Supervisory Board for Supervisory Board proposals to the shareholders' meeting with respect to the election of Supervisory Board members. When proposing candidates to the Supervisory Board, the Nomination Committee shall promote a reasonable representation of the largest shareholders on the Supervisory Board taking into account the statutory requirements and the recommendations of the German Corporate Governance Code.

The current members of the Nomination Committee are:

Name	Responsibilities
Prof. Dr. Marcus Englert	Chairman
Martin Enderle	Member
Norbert Lang	Member
Napoleon L. Nazareno	Member
Daniel Shinar	Member

The **Executive Committee** (*Präsidialausschuss*) makes proposals to the Supervisory Board with respect to the filling of Management Board positions including long-term succession planning for the Management Board while taking the recommendations of the Nomination Committee into account. The Executive Committee shall further prepare meetings of the Supervisory Board, handle current business between meetings of the Supervisory Board and prepare decisions of the Supervisory Board in the field of corporate governance. It shall conclude, amend and terminate employment and pension contracts in consideration of the plenary Supervisory Board's authority to decide on the remuneration of the members of the Management Board.

The current members of the Executive Committee are:

Name	Responsibilities
Prof. Dr. Marcus Englert	Chairman
Norbert Lang	Member
Martin Enderle	Member
Napoleon L. Nazareno	Member
Daniel Shinar	Member

The **Investment Committee** (*Investitionsausschuss*) makes decisions for the Supervisory Board concerning the approval of certain investment transactions. Such investment transactions include, irrespective of their accounting treatment, expenditures for the acquisition of any company, undertaking, enterprise or partial-business with a purchase price or other consideration in the range between €20 million and €50 million, as well as funding and third capital raisings in the range between €10 million and €50 million. The Management Board requires the approval of the Investment Committee of the Supervisory Board to engage in such investment transactions. For investments in excess of €50 million, the approval of the plenary Supervisory Board is required. The right of the plenary Supervisory Board to retain the power to make certain decisions itself is not affected by the value thresholds stipulated in the guidelines.

The current members of the Investment Committee are:

Name	**Responsibilities**
Prof. Dr. Marcus Englert	Chairman
Norbert Lang	Member
Martin Enderle	Member
Napoleon L. Nazareno	Member
Daniel Shinar	Member

The **Remuneration Committee** (*Vergütungsausschuss*) reviews all aspects of remuneration and employment terms for the Management Board, makes in this regard recommendations to the Supervisory Board and prepares presentations to the general meeting, on the entering into, any amendments to, or the termination of, the service agreements for the Management Board Members. The Remuneration Committee also considers the remuneration and general employment terms for certain groups of top executives and in this regard is authorized to pass resolutions on behalf of the Supervisory Board in accordance with the rules of procedure of the Management Board. It presents an evaluation of the Management Board's performance and makes a recommendation for the employment terms and remuneration for the Management Board to the Supervisory Board. The Remuneration Committee assists the Supervisory Board to supervise the system through which the company fulfills the regulations by law, listing regulations and the German Corporate Governance Codex concerning transparency requirements on remuneration for the Management Board and other senior managers. It considers remuneration guidelines to serve as framework for all remuneration matters to be decided by the Supervisory Board. The Remuneration Committee consists of five members. One of these members shall be the chairman of the Supervisory Board.

The current members of the Remuneration Committee are:

Name	**Responsibilities**
Prof. Dr. Marcus Englert	Chairman
Norbert Lang	Member
Martin Enderle	Member
Napoleon L. Nazareno	Member
Daniel Shinar	Member

13.3.3 Remuneration of the Members of the Supervisory Board

The remuneration of the Supervisory Board members is regulated by Section 15 of the Articles of Association and is comprised of fixed annual payments. The Supervisory Board members remuneration takes into account the responsibilities and scope of their activities as well as the economic situation of Rocket Internet SE. The members of the Supervisory Board receive an annual fixed payment of €25,000.00 thousand. The chairman of the Supervisory Board and the chairman of the Audit Committee receive twice this amount.

For further information on the historic compensation of the members of the Supervisory Board see "*14.7 Relationship with Members of the Supervisory Board*".

Supervisory Board members are also reimbursed for their out of-pocket expenses and are covered by D&O insurance as described under "*7.10 Insurance Coverage*".

13.3.4 Shareholdings of the Supervisory Board Members

As of the date of this prospectus, Prof. Dr. Marcus Englert holds 3,499 shares of Rocket Internet SE. Prof. Dr. h.c. Roland Berger holds 23,500 shares of Rocket Internet SE. Currently, no other member of the Supervisory Board directly or indirectly holds any shares in Rocket Internet SE or options on shares in Rocket Internet SE.

As of the date of this Prospectus, Norbert Lang, through an entity owned by him and his wife, holds Convertible Bonds with a principal amount of €2.0 million.

13.4 Share Participation Plan

13.4.1 Stock Option Program 2014/I and 2014/II

Under a stock option program of Rocket Internet SE, the Supervisory Board was authorized to grant up to 4,541,712 stock options to Oliver Samwer until and including September 7, 2019 ("**Stock Option Program 2014/I**"). All stock options under the Stock Option Program 2014/I were granted within three weeks after Rocket Internet SE's shares were included in the trading on the Open Market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*). These stock options will vest in monthly installments over a five-year vesting period and can be, subject to certain conditions, exercised after a waiting period of four years commencing on the date the respective stock options are granted. The options can only be exercised if

(i) Rocket Internet SE successfully launches an average of at least four companies per year during the four-year waiting period; and

(ii) the stock price reflects, on at least one single trading day within the waiting period, a valuation of Rocket Internet SE of the sum of €4.0 billion and all amounts invested by (current or future) shareholders into equity of Rocket Internet SE from May 27, 2014 until the relevant trading day.

If the performance targets are not achieved by the end of the waiting period, the stock options granted forfeit completely without any further consideration. In addition, the stock options are only exercisable within three weeks after publication of such financial interim reports or financial statements, as the case may be, which follow the end of the waiting period. The strike price of the stock options under the Stock Option Program/I corresponds to a valuation of Rocket Internet SE amounting to the sum of

(i) €4.0 billion and

(ii) all amounts invested by (current or future) shareholders into the equity of Rocket Internet SE from May 27, 2014 until the day of exercise of the respective stock option.

Rocket Internet SE is authorized to adjust the number of stock options in case of a dilution of the stock options resulting from capital measures of Rocket Internet SE.

Under a stock option program of Rocket Internet SE, the Supervisory Board was authorized to grant up to 1,201,022 stock options to both Alexander Kudlich and Peter Kimpel, up to 1,201,023 stock options to certain employees of Rocket Internet SE, up to 3,002,557 stock options to members of the management of affiliated companies and up to 600,511 stock options to certain employees of affiliated companies, prior to and after the inclusion of Rocket Internet SE's shares in the Open Market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) ("**Stock Option Program 2014/II**"). As of the date of this prospectus, a total of 2,067,280 options that were granted to eleven persons are outstanding under the Stock Option Program 2014/II.

Each beneficiary, who is not a member of the Management Board, must have a certain personal job grade level based on an internal classification system or must be considered by the Management Board – in its sole discretion – a key expert. Job grade levels generally eligible under the Stock Option Program 2014/II are

- "Senior Vice President";
- "Vice President"; or
- "Head" (or a corresponding job grade in any subsequent grading system).

The concrete group of beneficiaries and the amount of subscription rights to be granted to each of them are determined by the Management Board and – with respect to members of the Management Board – the Supervisory Board. The Stock Option Program 2014/II provides for an overall ten-year vesting period with a certain amount of stock options under the Stock Option Program 2014/II vesting after an initial four-year vesting term and the remaining stock options in principle vesting in yearly installments. The stock options can be, subject to their vesting and certain other conditions, exercised after a four-year waiting period commencing on the date the respective stock options are granted.

The exercise of stock options under the Stock Option Program 2014/II requires that Rocket Internet SE successfully launches an average of at least four companies per year during the four-year waiting period. If this performance target is not achieved by the end of the waiting period, the stock options granted forfeit completely without any further consideration. In addition, the stock options are only exercisable within three weeks after publication of such financial interim reports or financial statements, as the case may be, which follow the end of the waiting period. The strike price of the stock options granted prior to the inclusion of Rocket Internet SE's shares in the open market amounts to €26.14 per stock option; for stock options granted post inclusion of Rocket Internet SE's shares in the Open Market the strike price per stock option corresponds to the volume-weighted average closing price of the shares on the twenty consecutive trading days prior to the relevant grant date. Rocket Internet SE is authorized to adjust the number of stock options in case of a dilution of the stock options resulting from capital measures of Rocket Internet SE.

Under the Stock Option Program 2014/I and the Stock Option Program 2014/II, one stock option grants the holder the right to subscribe for one share of Rocket Internet SE to be delivered out of the Conditional Capital 2014/I or the Conditional Capital 2014/II (see "*12.5 Conditional Capital*"), respectively, or from treasury shares. Overall, as of December 31, 2015, 7,149,654 stock option were outstanding under the Stock Option Program 2014/I and the Stock Option Program 2014/II. The weighted average strike price for these options was €36.62 as of that date.

13.4.2 Stock Option Program 2017/I

Rocket Internet SE currently intends, subject to the approval by its shareholders, to implement a stock option program (the "**Stock Option Program 2017/I**") under which stock options shall be granted to Alexander Kudlich as a member of the Management Board. It is currently intended that Rocket Internet SE's shareholders meeting to be held in 2017 will be asked to resolve upon the Stock Option Program 2017/I, authorizing the Supervisory Board to grant up to 1,207,320 stock options to Alexander Kudlich. Alexander Kudlich will not be entitled to any special compensation should the Stock Option Program 2017/I not enter into effect.

The Stock Option Program 2017/I will not lead to an increase in the aggregate number of stock options that may be granted by Rocket Internet SE, as the stock options to be granted pursuant to the Stock Option Program 2017/I will be reallocated from the Stock Option Program 2014/II to the Stock Option Program 2017/I.

The Stock Option Program 2017/I will provide for an overall nine-year vesting period from the date the stock options are granted (grant date), with 40% of the stock options vesting three years after the grant date, 10% in each of the following 5 years and the remaining 10% vesting 9 years after the grant date.

Subject to their vesting and certain other conditions, the stock options can be exercised after a four-year waiting period from the grant date. The strike price of the stock options will correspond to the weighted average closing price of the shares on the Frankfurt Stock Exchange in the Xetra trading (or a comparable successor system) on the 20 trading days prior to the date of signing of the option agreement with Alexander Kudlich. The other terms of the Stock Option Program 2017/I are contemplated to be substantially similar to, or identical with, the Stock Option Program 2014/II.

13.5 Certain Information Regarding the Members of the Management Board and Supervisory Board

In the last five years, no member of the Management Board or Supervisory Board has been convicted of fraudulent offences. In the last five years, no member of the Management Board or Supervisory Board has been associated with any bankruptcy, receivership or liquidation acting in its capacity as a member of any administrative, management or supervisory body or as a senior manager. In the last five years, no official public incriminations and/or sanctions have been made by statutory or legal authorities (including designated professional bodies) against the members of the Management Board or Supervisory Board, nor have sanctions been imposed by the aforementioned authorities. No court has ever disqualified any of the members of either board from acting as a member of the administrative, management, or supervisory body of an issuer, or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Rocket Internet SE's Chief Executive Officer, Oliver Samwer, has transferred his stake in Global Founders, Rocket Internet SE's largest shareholder, to the Munich-based Oliver Samwer Familienstiftung, a family foundation governed by the laws of the Principality of Liechtenstein. Global Founders and its affiliates hold certain participations in internet companies other than Rocket Internet SE. See also "*1.1.13 Rocket Internet SE was co-founded by Oliver Samwer, its current chief executive officer, and we continue to depend on his leadership. Conflicts of interest may arise between Mr. Samwer and us and there is no guarantee that Mr. Samwer will or will be able to continue to* devote his time and energy to us.". Global Founders and its affiliates are generally free to pursue opportunities outside Rocket Internet, including opportunities that compete directly or indirectly with us. If the interests of Global Founders should diverge from those of Rocket Internet SE, conflicts of interest may arise for Mr. Samwer.

Napoleon L. Nazareno is director at PLDT and Daniel Shinar is chief executive officer in Claltech Limited Partnership., a wholly-owned subsidiary of Access Industries. If the interests of these shareholders should diverge from those of Rocket Internet SE, conflicts of interest may arise for Messrs. Nazareno and Shinar. In addition, Pierre Louette is a deputy CEO of Orange S.A., which indirectly holds a stake in the Africa Internet Group. Should the interests of the Group and Orange S.A. with respect to the Africa Internet Group diverge, conflicts of interest may arise for Mr. Louette. Except as disclosed above, there are no conflicts of interest or potential conflicts of interest between the members of the Management Board and Supervisory Board vis-à-vis Rocket Internet SE and their private interests, membership in governing bodies of companies or other obligations.

Neither of Rocket Internet SE's Management Board or Supervisory Board members have entered into a service agreement with a Group company that provides for benefits upon termination of employment or office. Rocket Internet SE only provides for severance payments to its executives in the case of an early termination of the service agreement (including, amongst others, a termination following a change of control), which, under all circumstances, are capped at the amount of compensation owed under the remaining contractual term of the respective service agreement. With the exception of Oliver Samwer, the members of the Management Board are not bound by restrictive covenants and may therefore engage in competing activities following the end of their office and the termination of their service agreements, it being understood that the members of the Management Board participate in long-term incentive programs (see "*13.4 Share Participation Plan*").

There are no family relationships between the members of the Management and the Supervisory Board, either among themselves or in relation to the members of the other body.

13.6 General Shareholders' Meeting

Pursuant to Article 54 para. 1 of the SE-Regulation, the annual general shareholders' meeting takes place within the first six months of each year and must be held, as the convening body shall decide, at Rocket Internet SE's registered office or in a German city with more than 100,000 residents, pursuant to Articles 53 and 54 para. 2 of the SE-Regulation together with Section 175 AktG and the Articles of Association. Except where other persons are authorized to do so by law and by the articles of association, the general shareholders' meeting shall be convened by the Management Board. Notice must be issued in the German Federal Gazette (*Bundesanzeiger*) at least 30 days before the day of the general shareholders' meeting; the day of the meeting itself and the day of the receipt of the notice not being included when calculating this period.

A general shareholders' meeting may also be convened by the Management Board, the Supervisory Board, or may be requested by shareholders whose shares in aggregate account for 5% of the capital stock. Shareholders or shareholder associations may solicit other shareholders to make such a request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette (*Bundesanzeiger*), which is also accessible via the website of the German Company Register (*Unternehmensregister*). If, following a request made by shareholders whose shares in aggregate account for 5% of the capital stock, a general shareholders' meeting is not held in due time the competent local court (*Amtsgericht*) may authorize the shareholders who have requested it or their representatives to convene a general meeting.

Pursuant to the Articles of Association, shareholders are entitled to participate in the general shareholders' meeting and to exercise their voting rights only if they have duly submitted notification of attendance and proof of ownership. Rocket Internet SE needs to receive both the notification of attendance and the proof of ownership by the end of the sixth day prior to the date of the general shareholders' meeting, unless a shorter period of time was set forth in the convocation of the general shareholders' meeting, in text form, the day of the meeting itself with the day of the receipt of the notice not being included when calculating this period. The proof of ownership of shares must refer to the start of the 21st day prior to the general shareholders' meeting. The chairman of the general shareholders' meeting is authorized to permit the transmission of the shareholders' meeting, participation in resolutions and the exercise of the shareholders' other rights via electronic or other media where this is legally permitted. Voting rights may be exercised by proxy. The grant of a proxy, revocation or proof of power of attorney to Rocket Internet SE must be in text form, facilitations of which may be granted in the notice. Such facilitations may be limited to the proof of power of attorney to the proxies nominated by Rocket Internet SE. Rocket Internet SE will provide at least one electronic method by which such proof of proxy may be submitted. The Management Board is authorized to enable shareholders to participate in the general shareholders' meeting even without being present in person or through an authorized representative and to exercise all or specific rights wholly or in part by electronic means of communication. The Management Board is further authorized to enable shareholders to cast their votes without participating in person in the general shareholders' meeting, in writing or by electronic means of communication (*Briefwahl*). If the Management Board makes use of this authority, it must fix the details and list them in the invitation to the general shareholders' meeting.

Each share entitles its holder to one vote at the general shareholders' meeting. Unless otherwise stipulated by mandatory statutory provisions or provisions of the Articles of Association, resolutions of the general shareholders' meeting are adopted by a simple majority of the votes cast or, if a capital majority is required in addition to a majority of votes, a simple majority of the bearer share capital represented at the meeting is sufficient, to the extent that this is legally possible.

According to Article 5, 57 and 59 of the SE-Regulation, and Section 51 of the German implementation act regarding the SE-Regulation (*SE-Ausführungsgesetz*), together with the current version of the AktG, resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the bearer share capital represented at the vote on the resolution. Resolutions of fundamental importance include:

- amendments, other than editorial amendments, to the articles of association;
- approval of contracts within the meaning of Section 179a AktG (transfer of the entire assets of the company) and management actions of special significance that require the approval of the general shareholders' meeting in compliance with legal precedents;
- capital increases, including the creation of conditional or authorized capital;
- issuance of, or authorization to issue, convertible and profit-sharing certificates and other profit-sharing rights;
- exclusion of subscription rights as part of an authorization on the use of treasury stock;
- capital reductions;
- withdrawal of shares pursuant to Article 5 of the SE-Regulation together with Section 237 para. 2 AktG;
- liquidation of the company;
- continuation of the liquidated company after the resolution on liquidation or expiry of the time period;
- approval to conclude, amend or terminate affiliation agreements (*Unternehmensverträge*);
- integration of a stock corporation into another stock corporation and squeeze-out of the minority shareholders; and
- action within the meaning of the German Transformation Act (*Umwandlungsgesetz*).

The SE-Regulation requires a majority of two-thirds of the votes cast in order to amend the Articles of Association, unless this conflicts with mandatory legal provisions. Rocket Internet SE may also amend its Articles of Association in a way that if at least one-half of the share capital is represented, a simple majority of the votes casts is sufficient. Further, the amended Articles of Association may provide that as far as the law requires a capital majority in addition to a majority of votes cast for resolutions of Rocket Internet SE's shareholders' general meeting, a simple majority of the share capital represented at the time the resolution is passed shall be sufficient to the extent that this is legally permissible.

Neither German law nor the Articles of Association limit the right of foreign shareholders or shareholders not domiciled in Germany to hold shares in Rocket Internet SE or exercise the voting rights associated therewith.

13.7 Corporate Governance

The German Corporate Governance Code, as amended on May 5, 2015 (the "**Code**"), contains recommendations and suggestions for the management and supervision of German companies listed on a stock exchange. The Code incorporates nationally and internationally recognized standards of good and responsible corporate governance. The purpose of the Code is to make the German system of corporate governance and supervision and the particular measures implemented by a company transparent for investors. The Code includes recommendations and suggestions for management and supervision with regard to shareholders and shareholders' meetings, management and supervisory boards, transparency, accounting and auditing.

There is no obligation to comply with the recommendations or suggestions of the Code. However, the AktG requires that the management board and supervisory board of a German company listed on a regulated market declare, every year, either that the recommendations have been or will be complied with, or which recommendations have not been or will not be complied with, and explain why the management board and the supervisory board do not/will not apply the recommendations that have not been or will not be applied. This declaration is to be made permanently accessible to shareholders. However, deviations from the suggestions contained in the Code need not be disclosed.

Prior to the listing of the shares of Rocket Internet SE on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), Rocket Internet SE is not obligated to issue a declaration relating to the Code.

As of the date of this Prospectus, Rocket Internet SE complies with, and after the listing of Rocket Internet SE's shares on the regulated market (*Regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*), intends to further comply with all recommendations in the Code, apart from the following:

- Pursuant to Section 3.8 para 2 of the Code, the D&O insurance covering the members of a supervisory board shall provide for a deductible in the amount of 10% of any loss, up to at least the amount of 150% of the fixed annual compensation of the respective member of the Supervisory Board. Rocket Internet SE's D&O insurance does not provide for this kind of deductible with respect to the members of the Supervisory Board. Rocket Internet SE believes that a deductible is not suitable to influence motivation and responsibility of the members of the Supervisory Board. In addition, the deductible would not be appropriate given the lack of variable remuneration for the members of the Supervisory Board and the corresponding lack of participation in any upside of Rocket Internet SE's shareholder value.

- Pursuant to Section 4.2.3 of the Code, the amount of compensation for a member of a management board shall be capped, both overall and for individual compensation components. The variable remuneration of the members of the Management Board is not capped. Rocket Internet SE believes that the nature of the variable remuneration (primarily in the form of a stock option program, but also equity participations in portfolio companies) prevents this form of remuneration from being capped. The primary aim of our variable remuneration (*i.e.*, to create shareholder value) would be undermined if the variable part of the remuneration were capped. Also, we believe that the members of the Management Board should participate in any increase in the value of Rocket Internet SE to the same extent as any other shareholders of the Rocket Internet SE.

- Pursuant to Section 4.2.4 of the Code, the total compensation of each of the members of a management board shall be disclosed by name, divided into fixed and variable compensation components. The same applies to promises of benefits that are granted to a member of a management board in case of premature or statutory termination of the function of a member of a management board or that have been changed during the fiscal year. In addition, pursuant to Section 5.4.6 para. 3 of the Code, the compensation of the members of a supervisory board shall be reported individually in the notes or the management report, subdivided according to components. In accordance with the resolution by Rocket Internet SE's general meeting held August 22, 2014, we refrain from an individual disclosure of the aggregate compensation for each member of the Management Board. In addition, we refrain, to the extent legally permissible, from an individual disclosure of the compensation as well as other benefits provided by Rocket Internet SE for the members of the Supervisory Board. Other than the disclosure required by mandatory law, we will also not disclose details of our equity share option programs. Both the Management Board and Supervisory Board believe that the information provided in accordance with mandatory law is sufficient for current and future stockholders and the public.

- Pursuant to Section 5.1.2 para. 2 of the Code, a supervisory board shall specify an age limit for members of the management board. The Supervisory Board has not specified such an age limit, because Rocket Internet SE only appoints candidates based on their qualification. Therefore, the Supervisory Board believes that a fixed age limit would not be a suitable criterion for the selection of members of the Management Board.

- Pursuant to Section 5.4.1 para. 2 of the Code, a supervisory board shall specify concrete objectives regarding its composition which, whilst considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, the number of independent supervisory board members within the meaning of Section 5.4.2 of the Code, an age limit to be specified and a regular limit of length of membership to be specified for the members of the supervisory board as well as diversity. The Supervisory Board has not passed a resolution specifying concrete objectives regarding its composition. While Rocket Internet SE believes that the current composition of the Supervisory Board complies with the criteria listed in Section 5.4.1 para. 2 of the Code, any proposals for board appointments at Rocket Internet SE are always submitted with a view towards selecting candidates with the highest qualification and personal experience complementing the overall composition of the board. Therefore, Rocket Internet SE is of the opinion that any fixed criteria are unsuitable for the purpose of electing an efficient and qualified Supervisory Board.

- Pursuant to Section 5.4.6 para. 1 of the Code, the compensation of the members of a supervisory board shall take into account whether such members hold the chair or deputy chair positions in the supervisory board as well as the chair and membership in committees of a supervisory board. The compensation of the members of the Supervisory Board does not take into account the deputy chair position of the Supervisory Board or membership and positions in any committees of the Supervisory Board. Rocket Internet SE believes that the amount of the current compensation is sufficient to also cover the additional work in connection with the position of deputy chair of the Supervisory Board or the committees.

14. CERTAIN RELATIONSHIPS AND RELATED-PARTY TRANSACTIONS

In accordance with IAS 24, transactions with persons or companies which are, inter alia, members of the same group as Rocket Internet SE or which are in control of or controlled by Rocket Internet SE must be disclosed, unless they are already included as consolidated companies in the Rocket Internet SE's audited consolidated financial statements. Control exists if a shareholder owns more than one half of the voting rights in Rocket Internet SE or, by virtue of an agreement, has the power to control the financial and operating policies of Rocket Internet SE's management. The disclosure requirements under IAS 24 also extend to transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on Rocket Internet SE's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of the voting rights.

Set forth below is a description of such transactions with related parties for the years ended December 31, 2013, 2014 and 2015 as well as the six months ended June 30, 2016, up to and including the date of this prospectus. Further information, including quantitative amounts, of related party transactions are contained in the notes to Rocket Internet SE's audited consolidated financial statements as of and for the years ended December 31, 2014 and 2015, which are included in the section entitled "17. Financial Information" of this prospectus, and are listed on page F-131 et seq. and F-39 et seq., respectively. Business relationships between companies of the Group are not included. The companies which are directly or indirectly controlled by Rocket Internet SE are listed on page F-112 et seq. of the notes to Rocket Internet SE's audited consolidated financial statements as of and for the year ended December 31, 2015.

We had business transactions with related parties in the years ended December 31, 2013, December 31, 2014 and December 31, 2015 as well as between January 1, 2016 and the date of this prospectus, in the ordinary course of business, in particular relating to IT, marketing and certain other services, and we will continue to have such relations. All such transactions with related parties are and were in our view carried out at arm's length.

14.1 Relations with Non-consolidated Entities

14.1.1 Joint Ventures

The following table sets forth the transactions and outstanding balances for services with joint ventures of the Group for the periods and dates indicated:

	As of and for the year ended December 31,		
	2013	**2014[(1)]**	**2015**
		(audited)	
		(in € million)	
Sales to joint ventures	–	12.7	10.0
Purchases from joint ventures	–	(4.7)	(0.9)
Interest income from joint ventures	–	0.1	0.0
Interest expense from joint ventures	–	(0.1)	(0.0)
Amounts owed by joint ventures:			
Trade receivables	–	4.3	2.2
Others financial receivables (current)	–	2.6	4.1
Amounts owed to joint ventures:			
Trade payables	–	0.8	0.3
Other financial liabilities (current)	–	3.8	2.6

(1) Taken from the consolidated financial statements as of and for the year ended December 31, 2015.

In the period between January 1, 2016 and the date of this prospectus, transactions of the Group with joint ventures were of the same character as those in 2015.

14.1.2 Associates

The following table sets forth the transactions and outstanding balances for services with associates under significant influence of the Group for the periods and dates indicated:

	As of and for the year ended December 31,		
	2013	**2014[(1)]**	**2015**
		(audited)	
		(in € million)	
Sales to associates	23.3	19.1	20.5
Contribution of subsidiaries to associates	–	18.2	107.9
Purchases from associates	(2.1)	(3.7)	(0.8)
Interest income from associates	0.0	0.1	0.3
Interest expense from associates	(0.1)	(0.2)	(0.0)
Amounts owed by associates:			
Trade receivables	2.3	7.8	3.8
Other financial receivables (current)	15.0	5.2	29.2
Amounts owed to associates:			
Trade payables	0.6	0.8	1.0
Other financial liabilities (current)	16.5	2.5	0.3

(1) Taken from the consolidated financial statements as of and for the year ended December 31, 2015.

In the period between January 1, 2016 and the date of this prospectus, transactions of the Group with associates were of the same character as those in 2015. Major transactions included the purchase of asset-backed securities issued by special purpose vehicles set up by Spotcap, one of the Group's associates, to securitize loans granted by Spotcap for €5 million and a commitment to purchase additional asset backed securities for €5 million. The purchaser of these bonds was a wholly owned subsidiary of Rocket Internet SE. Other financial receivables (current) owed by associates increased to €86.0 million as of June 30, 2016.

14.1.3 *Non-consolidated Subsidiaries*

The following table sets forth the transactions and outstanding balances for services with non-consolidated subsidiaries controlled by Rocket Internet SE for the periods and dates indicated:

	As of and for the year ended December 31,		
	2013	**2014[1]**	**2015**
		(audited)	
		(in € million)	
Sales to non-consolidated subsidiaries	0.3	0.5	0.5
Purchases from non-consolidated subsidiaries	0.0	(0.7)	(0.9)
Amounts owed by non-consolidated subsidiaries:			
Trade receivables	0.8	0.7	0.9
Other financial receivables (current)	3.2	2.0	1.3
Amounts owed to non-consolidated subsidiaries:			
Trade payables	0.6	0.1	0.2
Other financial liabilities (current)	0.8	0.5	0.1

(1) Taken from the consolidated financial statements as of and for the year ended December 31, 2015.

In the period between January 1, 2016 and the date of this prospectus, transactions of the Group with non-consolidated subsidiaries were of the same character as those in 2015.

14.2 Zalando Spin-Off

On July 8, 2013, Rocket Internet SE made a constructive contribution (*verdeckte Einlage*) of its 34,440 shares in Zalando to a wholly-owned subsidiary of Rocket Internet SE, Rocket Beteiligung. Immediately upon receipt of the shares in Zalando on July 8, 2013, Rocket Beteiligung sold and transferred these shares in Zalando to Global Founders and Emesco AB in accordance with their proportional shareholdings in Rocket Internet SE. Simultaneously, Global Founders and Emesco AB initially sold and transferred 43,050 shares in Rocket Internet SE to Rocket Beteiligung. On February 4, 2014, the purchase price for the shares in Zalando shares sold to Rocket Beteiligung on July 8, 2013 was adjusted pursuant to a purchase price adjustment mechanism. Accordingly, the sale of shares in Rocket Internet SE from Global Founders and Emesco AB to Rocket Beteiligung on July 8, 2013 was adjusted to 38,597 shares in Rocket Internet SE effective as of July 8, 2013. On August 19, 2014, Rocket Beteiligung was merged into Rocket Internet SE, which thereby acquired 38,597 treasury shares that were subsequently redeemed.

14.3 Dividend Payments

For information on dividend payments to our shareholders, see "*3. Dividend Policy; Results and Dividends per Share; Use of Profits*".

14.4 Financing Rounds

Related parties regularly participate in financing rounds relating to entities in our network of companies. For more information, see "*8. Corporate Structure, Financing Rounds and Cash Management*".

14.5 Transactions with Global Founders

14.5.1 General Transactions

During the year ended December 31, 2014, on a consolidated basis, Rocket Internet SE purchased services from its shareholder Global Founders in the amount of €0.1 million (2013: €0.2 million).

These transactions with Global Founders were based on a consulting agreement between Global Founders and Rocket Internet SE. Some of the payments under this agreement relate to reimbursements for consulting services and travel costs charged to Global Founders by Marc and Alexander Samwer under separate agreements between Global Founders and Marc Samwer and Alexander Samwer, respectively. These agreements were terminated in 2014. Subsequently, no services have been purchased from Global Founders.

14.5.2 Portfolio Contribution by the Global Founders Capital Funds

In August 2014, United Internet agreed to invest a total of €435 million for a 10.7% stake in Rocket Internet SE. United Internet's €435 million investment consisted of €333 million in cash and a contribution in kind valued at €102 million, which comprised United Internet's equity participation in the Global Founders Capital Fund portfolio (the "**GFC Portfolio**"). As part of this transaction, the equity participation of Global Founders GmbH in the GFC Portfolio, valued at €153 million, was also contributed into Rocket Internet SE in exchange for new shares. In this context Rocket Internet SE's extraordinary shareholders' meeting held on August 22, 2014 resolved to increase Rocket Internet SE's share capital by €25,527, from €159,442 to €184,969, while admitting (i) United Internet to subscribe for 16,193 newly issued shares, (ii) Global Founders GmbH and Global Founders Capital Fund to subscribe for an aggregate of 8,132 newly issued shares, (iii) European Founders Fund GmbH & Co. Beteiligungs KG Nr. 2 and European Founders Fund GmbH & Co. Beteiligungs KG Nr. 3, both located in Munich, Germany, to subscribe for 637 and 365 newly issued shares, respectively, and (iv) MOAS GmbH & Co. KG, MOAS Nr. 2 GmbH & Co. KG and MOAS Nr. 3 GmbH & Co. KG, all located in Munich, Germany, to subscribe for an aggregate of 200 newly issued shares.

The GFC Portfolio consisted of 53 investments in internet companies jointly held by United Internet and Global Founders GmbH. The Group has designated those investments as financial assets at FVTPL.

14.6 Relationship with Members of the Management Board

The following table sets forth remuneration paid or payable to the members of the Management Board (key management) for employee services for the years ended December 31, 2013, 2014 and 2015:

	For the year ended December 31,		
	2013(1)	**2014(1)**	**2015**
		(audited) **(in € thousand)**	
Short-term benefits (cash and non-cash compensation)	586	1,134	5,173
Share-based payments (expense during the respective reporting period)	145	16,370	37,155
Total	**731**	**17,504**	**42,328**

(1) Prior to the transformation of Rocket Internet SE, the remuneration was granted by Rocket Internet GmbH.

During the year ended December 31, 2015, share based payment expenses for key management consisted of the following components: (i) Stock Option Program 2014/I and Stock

Option Program 2014/II (see section "*13.4 Share Participation Plan*") of €36.4 million (2014: €16.1 million; 2013: none) and (ii) equity instruments granted in fully consolidated subsidiaries as part of the variable remuneration arrangements (see section "*7.8.1 Compensation*") of €0.7 million (2014: €0.3 million; 2013: €0.1 million). In the period between January 1, 2016 and the date of this prospectus, remuneration paid or payable to the members of the Management Board (key management) for employee services was of the same character as the remuneration paid or payable in 2015.

Marc Samwer, Oliver Samwer's brother, entered into consulting agreements with a number of network companies, including a number of subsidiaries of Rocket Internet SE. Under these consulting agreements, Marc Samwer will provide analytical advice and operational support to the relevant company in exchange for an hourly fee, subject to an annual cap. In the six months ended June 30, 2016, the Group incurred cost of €18 thousand for reimbursement of travel costs charged by Marc Samwer based on a consulting agreement. As of June 30, 2016, the liability against Marc Samwer amounted to €18 thousand.

14.7 Relationship with Members of the Supervisory Board

During the year ended December 31, 2015, remuneration (short-term benefits only) of the Supervisory Board of the parent company Rocket Internet SE amounted to €0.3 million for performing its functions within the Group (2014: €0.1 million). In the period between January 1, 2016 and the date of this prospectus, remuneration (short-term benefits only) of the Supervisory Board of the parent company Rocket Internet SE was of the same character as in 2015.

In January 2016, Norbert Lang, through an entity owned by him and his wife, purchased Convertible Bonds with a principal amount of €2.0 million.

Apart from the relationships stated above, Rocket Internet SE did not have any other significant business relationships with related parties.

15. TAXATION IN GERMANY

The following section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of shares. It is important to note that the legal situation may change, possibly with retroactive effect.

This summary is not and does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. In particular, this summary does not cover tax considerations that may be relevant to a shareholder that is a tax resident of a jurisdiction other than Germany. This presentation is based upon domestic German tax laws in effect as of the date of this Prospectus and the provisions of double taxation treaties currently in force between Germany and other countries. Where reference is made to the tax residence of a shareholder, it is assumed that the tax residence for the purposes of the respective domestic tax law and for the purposes of any applicable income tax treaty is the same. However, exceptions may apply in certain cases.

This section does not replace the need for individual shareholders to seek personal tax advice. It is therefore recommended that shareholders consult their own tax advisors regarding the tax implications of acquiring, holding or transferring shares and what procedures are necessary to secure the repayment of German withholding tax (Kapitalertragsteuer), if possible. Only qualified tax advisors are in the position to adequately consider the particular tax situation of individual shareholders.

15.1 Taxation of Rocket Internet SE

Rocket Internet SE's taxable income, whether distributed or retained, is generally subject to German corporate income tax at a uniform rate of 15% plus the solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 15.825%.

Dividends and other shares in profits which Rocket Internet SE receives from domestic and foreign corporations are generally not subject to corporate income tax; however, 5% of this type of income are deemed to be a non-deductible business expense and are thus taxable. The same applies generally to profits earned by Rocket Internet SE from the sale of shares in another domestic or foreign corporation. Losses incurred from the sale of such shares are not deductible for tax purposes, regardless of the percentage of shares held. Different rules apply to free-floating dividends (*i.e.*, dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the respective calendar year). Such free-floating dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% is deemed to have occurred at the beginning of the calendar year.

In addition, Rocket Internet SE is subject to trade tax with respect to its taxable trade profits from its permanent establishments in Germany.

The trade tax rate depends on the local municipalities in which Rocket Internet SE maintains its permanent establishments. For Rocket Internet SE, it currently ranges between 7% and 18% of the taxable trade profit, depending on the local trade tax multiplier.

For trade tax purposes, dividends received from domestic and foreign corporations and capital gains from the sale of shares in other corporations are treated in principle in the same manner as for corporate income tax purposes. However, shares in profits received from domestic and foreign corporations are effectively 95% exempt from trade tax only if Rocket Internet SE held and, in case of foreign corporations not domiciled in the European Union, continues to hold at least 15% (10% in the case of companies resident for tax purposes in member states of the European Union other than Germany) of the registered share capital of the distributing corporation at the beginning or – in the case of foreign corporations – continuously since the beginning of the relevant tax assessment period.

Additional limitations apply with respect to shares in profits received from foreign non-EU corporations.

The provisions of the interest barrier (*Zinsschranke*) restrict the extent to which interest expenses are tax deductible. Under these rules, net interest expense (the interest expense minus the interest income in a fiscal year) is generally only deductible up to 30% of the taxable EBITDA (taxable earnings particularly adjusted for interest costs, interest income, and certain depreciation and amortization), although there are certain exceptions to this rule. Interest expense that is not deductible in a given year may be carried forward to subsequent fiscal years of Rocket Internet SE (interest carryforward) and will increase the interest expense in those subsequent years. Under certain conditions, non-offsettable EBITDA can also be carried forward to subsequent years (EBITDA carryforward). For the purpose of trade tax, however, an additional barrier to the deductibility of interest expenses exists to the extent that the sum of certain trade taxable add back items exceeds €100,000, since in such cases 25% of the interest expenses, to the extent they were deducted for corporate income tax purposes, are added back for purposes of the trade tax base; consequently, in these cases the deductibility is limited to 75% of the interest expenses.

Losses of Rocket Internet SE can be carried forward in subsequent years and used to fully offset taxable income for corporate income tax and trade tax purposes only up to an amount of €1 million. If the taxable income for the year or taxable profit subject to trade taxation exceeds this threshold, only up to 60% of the amount exceeding the threshold may be offset by tax loss carryforwards. The remaining 40% are subject to tax (minimum taxation), but limited to €1 million. The rules also provide for a tax loss carryback of an amount up to €1 million to the previous year with regards to corporate income tax. Unused tax loss carryforwards can generally continue to be carried forward without time limitation.

If more than 50% of the subscribed capital or voting rights of Rocket Internet SE are transferred to an acquirer (including parties related to the acquirer) within five years directly or indirectly or a comparable acquisition occurs, all tax loss carryforwards and interest carryforwards are forfeited. A group of acquirers with aligned interests is also considered to be an acquirer for these purposes. In addition, any current year losses incurred prior to the acquisition will not be deductible. If more than 25% up to and including 50% of the subscribed capital or voting rights of Rocket Internet SE are transferred to an acquirer (including parties related to the acquirer) or a comparable acquisition occurs, a proportional amount of tax loss carryforwards, the unused current losses and interest carryforwards is forfeited. Tax loss carryforwards, unused current losses and interest carryforwards taxable in Germany will, however, not expire to the extent that they are covered by built in gains taxable in Germany at the time of such acquisition.

15.2 Taxation of Shareholders

Shareholders are taxed in particular in connection with the holding of shares (taxation of dividend income), upon the sale of shares (taxation of capital gains) and the gratuitous transfer of shares (inheritance and gift tax).

15.2.1 Taxation of Dividend Income

In the future, Rocket Internet SE may pay dividends out of a tax recognized contribution account (*steuerliches Einlagenkonto*). To the extent that Rocket Internet SE pays dividends from the tax-recognized contribution account (*steuerliches Einlagenkonto*), the dividends are not subject to withholding tax, personal income tax (including the solidarity surcharge and church tax, if any) or corporate income tax, as the case may be. However, dividends paid out of a tax-recognized contribution account lower the acquisition costs of the shares, which may result in a higher amount of taxable capital gain upon the shareholder’s sale of the shares. Special rules apply to the extent that dividends from the tax-recognized contribution account exceed the then lowered acquisition costs of the shares (the details are outlined below).

15.2.2 Withholding Tax

Dividends distributed by Rocket Internet SE that are not paid out of the tax-recognized contribution account (*steuerliches Einlagenkonto*) are subject to a deduction at source (withholding tax) at a 25% rate plus a solidarity surcharge of 5.5% on the amount of withholding tax (amounting in total to a rate of 26.375%) and church tax (*Kirchensteuer*), if applicable. The basis for determining the dividend withholding tax is the dividend approved for distribution by Rocket Internet SE's general meeting.

In general, dividend withholding tax is withheld regardless of whether and, if so, to what extent the shareholder must report the dividend for tax purposes and regardless of whether the shareholder is a resident of Germany or of a foreign country.

As Rocket Internet SE's shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) pursuant to Section 5 German Act on Securities Accounts (*Depotgesetz*) and are entrusted to such central securities depository for collective safe custody in Germany, Rocket Internet SE is not responsible for withholding the withholding tax; rather, it is, for the account of the shareholders, the responsibility of one of the following entities in Germany authorized to collect withholding tax to do so and to remit it to the relevant tax authority: (i) a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks or financial service institutes) that holds the shares in custody or that manages them and that pays out or credits the shareholders' investment income or that pays the investment income to a foreign entity, or (ii) the central securities depository holding the collective deposit shares in custody if it pays the investment income to a foreign entity and (iii) Rocket Internet SE itself if and to the extent shares held in collective safe custody (*girosammelverwahrt*) by the central securities depository (*Wertpapiersammelbank*) are treated as stock being held separately (so-called "*abgesetzte Bestände*").

Rocket Internet SE assumes responsibility for the withholding of taxes on distributions at source, in accordance with statutory provisions. This means that Rocket Internet SE is released from liability for the violation of its legal obligation to withhold and transfer the taxes at source if it provides evidence that it has not breached its duties intentionally or grossly negligently.

Where dividends are distributed to a company resident in another member state of the European Union within the meaning of Article 2 of the EC Directive 2011/96/EU of November 30, 2011, as amended (the "**Parent-Subsidiary Directive**"), the withholding of the dividend withholding tax may not be required, upon application, provided that additional requirements are met (withholding tax exemption). This also applies to dividends distributed to a permanent establishment located in another EU member state of such a parent company or of a parent company that is tax resident in Germany if the interest in the dividend-paying subsidiary is part of the respective permanent establishment's business assets. An important prerequisite for the exemption from withholding at source under the Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of Rocket Internet SE's registered share capital continuously for one year and that the German Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der Küppe 1, D-53225 Bonn, Germany) has certified to the creditor of the dividends, based upon an application filed by such creditor on the officially prescribed form, that the prerequisites for exemption have been met.

The dividend withholding tax rate for dividends paid to other shareholders without a tax residence in Germany will be reduced in accordance with the applicable double taxation treaty, if any, between Germany and the shareholder's country of residence, provided that the shares are neither held as part of the business assets of a permanent establishment or a fixed base in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the dividend withholding tax is generally obtained by applying to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, with its registered office in Bonn-Beuel, An der

Küppe 1, 53225 Bonn, Germany) for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which is usually 5-15%. A reduced withholding tax rate (according to the applicable double taxation treaty) may be applicable, if the shareholder applied for an exemption at the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*). A full exemption from German dividend withholding tax may also be possible under the applicable double taxation treaty, if the shareholder has directly held at least 10% of Rocket Internet SE's registered share capital and if further prerequisites are met. Forms for the refund and exemption procedure may be obtained from the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*, http://www.bzst.bund.de), as well as German embassies and consulates.

Corporations that are not tax residents in Germany will receive upon application a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. This applies regardless of any further reduction or exemption provided under the Parent Subsidiary Directive or a double taxation treaty.

Foreign corporations will generally have to meet certain stringent substance criteria defined by statute in order to receive an exemption from or (partial) refund of German dividend withholding tax.

15.3 Taxation of Dividends of Shareholders with a Tax Residence in Germany

15.3.1 Individuals who hold the Shares as Private Assets

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold shares as private assets, the withholding tax will generally serve as a final tax. In other words, once deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his or her annual tax return (the "**Flat Tax**").

The purpose of the Flat Tax is to provide for separate and final taxation of capital investment income earned; in other words, taxation that is irrespective of the individual's personal income tax rate. Shareholders may apply to have their capital investment income assessed in accordance with the general rules and with an individual's personal income tax rate if this would result in a lower tax burden. In this case, the base for taxation would be the gross dividend income less the savers' allowance of €801 (€1,602 for jointly filing individuals). Any tax and solidarity surcharge already withheld would be credited against the income tax and solidarity surcharge so determined and any overpayment refunded. Income-related expenses cannot be deducted from capital gains in either case.

If the individual owns (i) at least 1% of the shares in Rocket Internet SE and works for Rocket Internet SE or (ii) at least 25% of the shares, the tax authorities may approve upon application that the dividends are taxed under the partial-income method (see below, "*15.3.4 Sole Proprietors (Individuals)*").

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax on payments to shareholders who are subject to church tax, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a religious denomination (*Sperrvermerk*). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the dividends is deducted from the withholding tax (including the solidarity surcharge) withheld. If no church taxes are withheld along with the withholding of the withholding tax, the shareholder who owes church tax is required to report his or her dividends in his or her income tax return. The church tax on the dividends will then be imposed during the assessment.

As an exemption, dividend payments that are funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as private assets, do – contrary to the above – not form part of the shareholder's taxable income. If the dividend payment funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the shareholder's acquisition costs, negative acquisition costs will arise which can result in a higher capital gain in case of the shares' disposal (cf. below). This will not apply if (i) the shareholder or, in the event of a gratuitous transfer, its legal predecessor, or, if the shares have been gratuitously transferred several times in succession, one of his legal predecessors at any point during the five years preceding the (deemed, as the case may be,) disposal directly or indirectly held at least 1% of the share capital of Rocket Internet SE (a "**Qualified Participation**") and (ii) the dividend payment funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In such a case of a Qualified Participation, a dividend payment funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) is deemed a sale of the shares and is taxable as a capital gain if and to the extent the dividend payment funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) exceeds the acquisition costs of the shares. In this case the taxation corresponds with the description in the section "*15.5 Taxation of Capital Gains*" made with regard to shareholders maintaining a Qualified Participation.

15.3.2 Shares Held as Business Assets

The Flat Tax does not apply to dividends from shares held as business assets of shareholders who are tax resident in Germany. In this case, the taxation is based on whether the shareholder is a corporation, an individual or a partnership. The withholding tax withheld and paid to the tax authorities, including the solidarity surcharge, is credited against the income or corporate income tax and the solidarity surcharge of the shareholder and any overpayment will be refunded.

Dividend payments that are funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) and are paid to shareholders who are tax resident in Germany whose shares are held as business assets are generally fully tax-exempt in the hands of such shareholder. To the extent the dividend payments funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) exceed the acquisition costs of the shares, a taxable capital gain should occur. The taxation of such gain corresponds with the description in the section "*15.5 Taxation of Capital Gains*" made with regard to shareholders whose shares are held as business assets (however, as regards the application of the 95% exemption in case of a corporation this is not undisputed).

15.3.3 Corporations

Dividends received by corporations tax resident in Germany are generally exempt from corporate income tax and solidarity surcharge; however 5% of the dividends are treated as a non-deductible business expenses and, as such, are subject to corporate income tax (plus the solidarity surcharge) with a total tax rate of 15.825%.

Different rules apply to free-floating dividends (*i.e.*, dividends earned on direct shareholdings in Rocket Internet SE equal to less than 10% of its share capital at the beginning of the respective calendar year). Such free-floating dividends are fully taxed at the corporate income tax rate (plus solidarity surcharge thereon). The acquisition of a shareholding of at least 10% during a calendar year is deemed to have occurred at the beginning of the respective calendar year. Participations which a shareholder holds through a commercial partnership are attributable to the shareholder only on a *pro rata* basis at the ratio of the interest share of the shareholder in the assets of the relevant partnership.

Business expenses actually incurred and having a direct business relationship to the dividends may be fully deducted.

The amount of any dividends (after deducting business expenses related to the dividends) is fully subject to trade tax, unless the corporation held at least 15% of Rocket Internet SE's registered share capital at the beginning of the relevant tax assessment period, entitling it to an intercorporate privilege for trade tax purposes. In the latter case, the aforementioned exemption of 95% of the dividend income applies analogously for trade tax purposes.

15.3.4 Sole Proprietors (Individuals)

If the shares are held as part of the business assets of a sole proprietor (individual) with his or her tax residence in Germany, 40% of any dividend is tax exempt (so called partial income method). Only 60% of the expenses economically related to the dividends are tax deductible. The partial income method will also apply when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares through partnerships that are neither commercial partnerships nor deemed to be commercial partnerships). However, the partial-income method does not apply with respect to church tax (if applicable). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the taxpayer held at least 15% of Rocket Internet SE's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the net dividends (after deducting directly related expenses) are exempt from trade tax. However, trade tax is generally credited – fully or in part – as a lump sum against the shareholder's personal income tax liability.

15.3.5 Partnerships

If the shareholder is a partnership, the personal income tax or corporate income tax, as the case may be, and the solidarity surcharge are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, then the dividend is generally 95% tax exempt; however, dividends from an indirect shareholding representing less than 10% of the share capital for the relevant partner are fully subject to taxation (see above, "*15.3.3 Corporations*"). If the partner is an individual, only 60% of the dividend income is subject to income tax; in this case the partial-income method does not apply as regards church tax (if applicable) (see above, "*15.3.4 Sole Proprietors (Individuals)*").

Additionally, if the shares are held as business assets of a domestic permanent establishment of a commercial or deemed to be commercial partnership, the full amount of the dividend income is generally also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on his or her proportion of the partnership's income is generally credited as a lump sum – fully or in part – against the individual's personal income tax liability. If the partnership held at least 15% of Rocket Internet SE's registered share capital at the beginning of the relevant tax assessment period, the dividends (after the deduction of business expenses economically related thereto) should generally not be subject to trade tax. However, in this case, trade tax should be levied on 5% of the dividends to the extent they are attributable to the profit share of such corporate partners to whom at least 10% of the shares in Rocket Internet SE are attributable on a look-through basis, since such portion of the dividends should be deemed to be non-deductible business expenses. The remaining portion of the dividend income attributable to other than such specific corporate partners (which includes individual partners and should, according to a literal reading of the law, also include corporate partners to whom, on a look-through basis, only portfolio participations are attributable) should not be subject to trade tax.

15.3.6 Financial and Insurance Sector

Special rules apply to companies operating in the financial and insurance sector (see below, "*15.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

15.4 Taxation of Dividends of Shareholders without a Tax Residence in Germany

The dividends paid to shareholders (individuals and corporations) without a tax residence in Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed base in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to tax resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax discharges any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed in the section on dividend withholding tax above (see above "*15.2.2 Withholding Tax*").

Dividend payments that are funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) are generally not taxable in Germany.

15.5 Taxation of Capital Gains

15.5.1 Taxation of Capital Gains of Shareholders with a Tax Residence in Germany

15.5.1.1 Shares Held as Private Assets

Gains on the sale of shares that are held as private assets by shareholders with a tax residence in Germany, and which were acquired after December 31, 2008, are generally taxable regardless of the length of time held. The tax rate is (generally) a uniform 25% plus the 5.5% solidarity surcharge thereon (resulting in an aggregate tax rate of 26.375%) as well as any church tax, if applicable.

The taxable capital gains are the difference between (a) the proceeds from the disposal of shares after deducting the direct sales costs and (b) the acquisition cost of the shares. Under certain conditions, prior payments from the tax-recognized contribution account (*steuerliches Einlagekonto*) may lead to reduced acquisition costs of the shares held as private assets and, as a consequence, increase the taxable sales gain. Losses on the sale of shares can only be used to offset gains made on the sale of shares during the same year or in subsequent years. Losses on the sale of shares may only be netted against gains on the sale of shares.

If the shares are held in custody or administered by a domestic bank or financial service institute, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks and financial service institutes), or if such entity or branch sells the shares and pays out or credits the capital gains (each a "**Domestic Paying Agent**"), said Domestic Paying Agent withholds a withholding tax of 25% plus 5.5% solidarity surcharge thereon and any church tax (if applicable) and remits this to the tax authority; in such a case, the tax on the capital gain will generally be discharged. If the shares were only held in custody or administered by the respective Domestic Paying Agent continuously after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the shares. However, the withholding tax rate of 25% plus the 5.5% solidarity surcharge thereon and any church tax (if applicable), will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to, and in case the actual gain is higher than 30% of the gross proceeds must, verify the original costs of the shares in his or her annual tax return.

Entities required to collect withholding taxes on capital investment income are required to likewise withhold the church tax for shareholders who pay church taxes, unless the shareholder objects in writing to the Federal Central Office of Taxation (*Bundeszentralamt für Steuern*) against the sharing of his or her private information regarding his or her affiliation with a denomination. If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the capital gain is deducted from the withholding tax (including the solidarity surcharge) withheld.

A shareholder may request that all his or her items of capital investment income, along with his or her other taxable income, be subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his or her tax burden. The base for taxation would be the gross income less the savers' allowance of €801 (€1,602 for jointly filing individuals). The prohibition on deducting income-related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax already withheld would be credited against the income tax so determined and any overpayment refunded.

One exception to this rule is that a shareholder's capital gains are subject to the partial-income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale of shares are subject to the individual income tax rate, if the shareholder, or his or her legal predecessor in case of acquisition without consideration, has directly or indirectly held shares equal to at least 1% of Rocket Internet SE's share capital at any time during the previous five years. 60% of the expenses economically related to the proceeds of the sale of shares are tax-deductible.

In the case of a Qualified Participation, withholding tax (including the solidarity surcharge) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is obliged to declare the gains from the sale in his or her income tax return. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or corporate income tax liability in the tax assessment, and any overpayment will be refunded.

15.5.1.2 Shares Held as Business Assets

The Flat Tax does not apply to proceeds from the sale of shares held as business assets by shareholders tax resident in Germany. If the shares form part of a shareholder's business assets, taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor or partnership. Dividend payments that are funded from Rocket Internet SE's tax-recognized contribution account (*steuerliches Einlagekonto*) reduce the original acquisition costs. In case of a sale of shares, a higher taxable capital gain can arise herefrom. If the dividend payments exceed the shares' book value for tax purposes, a taxable capital gain can arise.

1. **Corporations:** In general, capital gains earned on the sale of shares by corporations domiciled in Germany are exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the shares and the length of time the shares are held; however, 5% of the capital gains are treated as a non-deductible business expense and, as such, are subject to corporate income tax (plus the solidarity surcharge thereon) and to trade tax.

2. **Sole proprietors (individuals):** If the shares were acquired after December 31, 2008 and form part of the business assets of a sole proprietor (individual) who is tax resident in Germany, 60% of the capital gains on their sale are subject to the individual's personal tax

rate plus the solidarity surcharge thereon (partial income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial income method does not apply. If the shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax is fully or partially credited as a lump sum against the shareholder's personal income tax liability.

3. **Commercial Partnerships:** If the shareholder is a partnership, personal income tax or corporate income tax, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined in subsection 1 apply. If the partner is an individual, the tax principles applying to capital gains that are outlined in subsection 2 apply. Upon application and provided that additional prerequisites are met, an individual who is a partner can obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale of shares attributable to a permanent establishment maintained in Germany by a commercial partnership, or deemed to be commercial partnership are subject to trade tax at the level of the partnership. As a general rule, only 60% of the gains in this case are subject to trade tax to the extent the partners in the partnership are individuals, while 5% are subject to trade tax to the extent the partners are corporations and shares are sold. Under the principles discussed above, losses on sales and other reductions in profit related to the shares sold are generally not deductible or only partially deductible, if the partner is a corporation. If the partner is an individual, the trade tax the partnership pays on his or her share of the partnership's income is generally credited as a lump sum – fully or in part – against his or her personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the taxpayer.

Special rules apply to capital gains realized by companies active in the financial and insurance sectors, as well as pension funds (see below, "*15.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

If a Domestic Paying Agent is involved, the proceeds from the sale of shares held as business assets are generally subject to the same withholding tax rate as those of shareholders whose shares are held as private assets (see "*15.5.1.1 Shares Held as Private Assets*"). However, the Domestic Paying Agent may refrain from withholding the withholding tax if (i) the shareholder is a corporation, association or estate with its tax residence in Germany, or (ii) the shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent nevertheless withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge and church tax, if applicable) will be credited against the shareholder's income tax or corporate income tax liability (including the solidarity surcharge and church tax, if applicable) and any excess amount will be refunded.

15.5.2 Taxation of Capital Gains of Shareholders without a Tax Residence in Germany

Capital gains realized by a shareholder with no tax residence in Germany are subject to German income tax only if the selling shareholder holds a Qualified Participation or if the shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

Most double taxation treaties provide for an exemption from German taxes and assign the right of taxation to the shareholder's country of tax residence in the former case.

15.6 Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

If financial institutions or financial service providers hold or sell shares that are allocable to their trading book pursuant to Section 1a of the German Banking Act (*Gesetz über das Kreditwesen*), they will neither be able to use the partial-income method nor have 60% of their gains exempted from taxation nor be entitled to the effective 95% exemption from corporate income tax plus the solidarity surcharge and any applicable trade tax. Thus, dividend income and capital gains are fully taxable. The same applies to shares acquired by financial enterprises (*Finanzunternehmen*) in the meaning of the German Banking Act (*Gesetz über das Kreditwesen*) for the purpose of generating profits from short-term proprietary trading. The preceding sentence applies accordingly for shares constituting a qualified participation or for shares held in a permanent establishment in Germany by financial institutions, financial service providers and finance companies tax resident in another member state of the European Union or in other signatory states of the agreement on the European Economic Area. In the first case, the taxation might be (partly) avoided by the provisions of the relevant double taxation treaty (if any). Likewise, the previously described tax exemption afforded to corporations for dividend income and capital gains from the sale of shares does not apply to shares that qualify as a capital investment in the case of life insurance and health insurance companies or to those which are held by pension funds.

However, an exemption to the foregoing, and thus a 95% effective tax exemption, applies to dividends obtained by the aforementioned companies to which the Parent-Subsidiary Directive applies.

15.7 Inheritance and Gift Tax

The transfer of shares to another person by inheritance or gift is generally subject to German inheritance or gift tax only if

1. the decedent, donor, heir, beneficiary or other transferee maintained his or her domicile or habitual abode in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years prior to the transfer outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their habitual abode in Germany);

2. the shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or

3. the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of Rocket Internet SE's registered share capital at the time of the inheritance or gift.

The fair value represents the tax assessment base. In general that is the stock exchange price. Dependent on the degree of relationship between decedent or donor and recipient, different tax-free allowances and tax rates apply.

The few German double taxation treaties relating to inheritance tax and gift tax currently in force usually provide that the German inheritance tax or gift tax can only be levied in the cases of (1.) above, and also with certain restrictions in case of (2.) above. Special provisions apply to certain German nationals living outside of Germany and former German nationals.

15.8 Other Taxes

No German transfer tax, value-added tax, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of shares. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of value-added tax on transactions that are otherwise tax-exempt. Net wealth tax is currently not imposed in Germany.

The European Commission and certain EU Member States (including Germany) are currently intending to introduce a financial transactions tax ("**FTT**") (presumably on secondary market transactions involving at least one financial intermediary). It is currently uncertain if the proposed FTT will be enacted by the participating EU Member States and when the FTT will enter into force.

16. TAXATION IN LUXEMBOURG

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of this prospectus. It does not purport to be a comprehensive description of all the tax considerations that might be relevant to an investment decision. It is included herein solely for preliminary information purposes. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the listing and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders. This information is based on the laws in force in Luxembourg on the date of this prospectus and is subject to any change in law that may take effect after such date. Prospective shareholders (the "**Shareholders**") should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject, and as to their tax position. Please be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that, generally, a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*), a temporary tax to balance the State budget (*impôt d'équilibrage budgétaire temporaire*), as well as personal income tax (*impôt sur le revenu*). Corporate Shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, the solidarity surcharge and the net wealth tax invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, the solidarity surcharge and the temporary tax to balance the State budget. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

16.1 Luxembourg Taxation of the Shareholders

Taxation of income derived from shares, and capital gains realized on shares by Luxembourg residents.

16.1.1 Taxation of Dividend Income

16.1.1.1 Luxembourg Resident Shareholders

Dividends and other payments derived from the shares by resident individual Shareholders and non-resident individual Shareholders having a permanent establishment or permanent representative in Luxembourg to which or whom such shares are attributable, will in principle be subject to tax at the ordinary rates on the dividends received from Rocket Internet SE. A tax credit may under certain conditions be granted for foreign withholding taxes against Luxembourg income tax due on these dividends, without exceeding in any case Luxembourg tax on such income. Under current Luxembourg tax law, 50% of the gross amount of dividends received from Rocket Internet SE, an EU resident company falling under article 2 of the Council Directive 2011/96/EU, as amended ("**EU Parent Subsidiary Directive**"), by resident individual Shareholders may be tax exempt at the level of these Shareholders.

Dividends derived from the shares by Luxembourg resident fully taxable companies are subject to income taxes, unless the conditions of the participation exemption regime are satisfied.

Subject to the anti-abuse provisions of Art 166 (2bis) Luxembourg income tax law, the participation exemption regime provides that dividends derived from the shares may be exempt from income tax at the level of the Shareholder if cumulatively (a) the Shareholder receiving the dividends is either (i) a fully taxable Luxembourg resident company, (ii) a domestic permanent establishment of an EU resident company falling under article 2 of the EU Parent Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State); and at the date on which the income is made available, (b) the distributing company is a qualified subsidiary ("**Qualified Subsidiary**"), and (c) the Shareholder holds or commits to hold directly for an uninterrupted period of at least twelve months a qualified shareholding ("**Qualified Shareholding**"). A Qualified Subsidiary means (a) a Luxembourg resident fully-taxable joint-stock company limited by shares (*société de capitaux*), (b) a company covered by Article 2 of the EU Parent-Subsidiary Directive or (c) a non-resident joint-stock company limited by shares (*société de capitaux*) liable to a tax corresponding to Luxembourg corporate income tax at a rate of a minimum of 10.5%. A Qualified Shareholding means shares representing a direct participation of at least 10% in the share capital of the Qualified Subsidiary or a direct participation in the Qualified Subsidiary of an acquisition price of at least €1.2 million (or an equivalent amount in another currency). Liquidation proceeds are assimilated to a received dividend and may be exempt under the same conditions. Shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity. To the extent that expenses related to the participation in Rocket Internet SE have reduced the Shareholder's taxable profits (during the year of receipt of the dividend), the deductions from these related expenses will be reversed.

If the participation exemption does not apply, dividends may benefit from the 50% exemption under the relevant conditions set out above.

Any Shareholder which is a Luxembourg resident entity governed by the law of December 17, 2010 on undertakings for collective investment, as amended, by the law of February 13, 2007 on specialized investment funds, as amended, by the law of May 11, 2007 on the family estate management company, as amended, by the law of June 15, 2004 on venture capital vehicles, as amended, or by the law of July 23, 2016 on reserved alternative investment funds, is not subject to any Luxembourg corporation taxes in respect of dividends received from Rocket Internet SE.

16.1.1.2 Non-Resident Shareholders

Non-resident Shareholders who are non-residents of Luxembourg and who have neither a permanent establishment nor a fixed place of business or a permanent representative in Luxembourg to which the shares are attributable are not liable to any Luxembourg income tax on dividends received from Rocket Internet SE.

Subject to the provisions of double taxation treaties, dividends on the shares received by non-resident Shareholders holding the shares through a Luxembourg permanent establishment or through a Luxembourg permanent representative to which or whom the shares are attributable are subject to income tax at ordinary rates unless the conditions of the participation exemption as described above apply.

16.1.2 Taxation of Capital Gains

16.1.2.1 Luxembourg Resident Shareholders

Capital gains realized on the disposal of the shares by resident individual Shareholders, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation ("**Substantial Participation**"). Capital gains are deemed to be speculative and are subject to income tax at ordinary rates if the shares are disposed of within six months after their acquisition or if their disposal precedes their acquisition. A participation is deemed to be substantial where a resident individual Shareholder holds, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of Rocket Internet SE. A Shareholder is also deemed to transfer a Substantial Participation if he acquired free of charge, within the five years preceding the transfer, a participation that constituted a Substantial Participation in the hands of the transferor (or the transferors in case of successive transfers free of charge within the same five-year period). Capital gains realized on a Substantial Participation are subject to Luxembourg income tax according to the half-global rate method (*i.e.*, the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on a Substantial Participation) and may benefit from an allowance of up to €50,000 granted for a ten-year period (doubled for individual taxpayers who are jointly taxable). A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shares. Capital gains realized on the disposal of the shares by resident individual Shareholders, who act in the course of their professional/business activity, are subject to income tax at ordinary rates.

Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

Capital gains realized by (a) a Luxembourg fully-taxable resident company or (b) the Luxembourg permanent establishment of a non-resident foreign company on the shares of Rocket Internet SE are subject to income tax at the maximum global rate of 29.22% (in Luxembourg-City in 2016), unless the conditions of the participation exemption regime, as described above, are satisfied except that the acquisition price must be of at least €6 million for capital gain exemption purposes. Shares held through a tax transparent entity are considered as a direct participation holding proportionally to the percentage held in the assets of the transparent entity. To the extent that expenses related to the (exempt) shareholding or write-downs deducted in relation to the participation have reduced the Shareholder's taxable profits (during the year of the sale or in prior years), the tax deduction effect from these expenses will be reversed up to a maximum amount of the capital gains realized at the time the relevant shareholding is sold. Any expenses in excess of the capital gains remain fully tax deductible.

Taxable gains are determined to be the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

The Shareholder which is a Luxembourg resident entity governed by the law of December 17, 2010 on undertakings for collective investment, as amended, by the law of February 13, 2007 on specialized investment funds, as amended, by the law of May 11, 2007 on the family estate management company, as amended by the law of June 15, 2004 on venture capital vehicles, as amended, or by the law of July 23, 2016 on reserved alternative investment funds, is not subject to any Luxembourg corporation taxes in respect of capital gains realized upon disposal of its shares.

16.1.2.2 Non-Resident Shareholders

Under Luxembourg tax laws currently in force (subject to the provisions of double taxation treaties), capital gains realized on the disposal of the shares by a non-resident Shareholder holding the shares through a Luxembourg permanent establishment or through a Luxembourg permanent representative to which or whom the shares are attributable are subject to income tax at ordinary rates unless the conditions of the participation exemption as described above apply. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

16.2 Net Wealth Tax

Luxembourg resident Shareholders, as well as non-resident Shareholders who have a permanent establishment or a permanent representative in Luxembourg to which or whom the shares are attributable, are subject to Luxembourg net wealth tax on its net assets as determined for net wealth tax purposes on the net wealth tax assessment date (January 1 of each year), except if the Shareholder is (i) a resident or non-resident individual, (ii) or governed by the amended law of May 11, 2007 on family estate management companies, (iii) by the amended law of December 17, 2010 on undertakings for collective investment, (iv) by the law of February 13, 2007 on specialized investment funds, as amended, (v) is a securitization company governed by the law of March 22, 2004 on securitization, as amended, or (vi) is a capital company governed by the law of June 15, 2004 on venture capital vehicles, as amended. Please however note that securitization companies governed by the law of 22 March 2004 on securitization, as amended, or capital companies governed by the law of 15 June 2004 on venture capital vehicles, as amended, may, however, under certain conditions, be subject to minimum net wealth tax.

Furthermore, in the case the Shareholder is (i) a Luxembourg resident fully taxable collective entity (ii) a domestic permanent establishment of an EU resident company covered by Article 2 of the EU Parent-Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) that is resident in a State with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) or of a cooperative company which is a resident of a EEA Member State (other than a EU Member State), the shares may be exempt from net wealth tax for a given year, if the shares represent at the net wealth tax assessment date a participation of at least 10% in the share capital of Rocket Internet SE or a participation of an acquisition price of at least €1.2 million. However, if the holder of the shares is a vehicle not listed under the exceptions (i) to (vi) listed above, as from January 1, 2016, it might be subject (a) to a minimum net wealth tax of €3,210 if it holds assets such as fixed financial assets, receivables owed to affiliated companies, transferable securities, postal checking accounts, checks and cash, in a proportion that exceeds 90% of its total balance sheet value and if the total balance sheet value exceeds €350,000 or (b) to a minimum net wealth tax between €535 and €32,100 based on the total amount of its assets.

16.3 Value Added Tax

There is no Luxembourg value added tax payable in respect of payments in consideration for the subscription of the shares or in respect of the payment of dividends or the transfer of the shares. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to Rocket Internet SE, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

16.4 Other Taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by the Shareholder upon the acquisition, holding or disposal of the shares. However, a fixed registration duty of €12 may be due upon registration of the shares in Luxembourg in the case of legal proceedings before Luxembourg courts, in case the shares must be produced before an official Luxembourg authority, or in the case of a registration of the shares on a voluntary basis.

Under current Luxembourg tax law, where an individual Shareholder is a resident of Luxembourg for inheritance tax purposes at the time of his/her death, the shares are included in his or her taxable basis for inheritance tax purposes.

Gift tax may be due on a gift or donation of the shares if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

17. FINANCIAL INFORMATION

1) now Rocket Internet SE

Rocket Internet SE

Unaudited Interim Condensed Consolidated Financial Statements
as of and for the period ended June 30, 2016
(prepared in accordance with IFRS)

Interim Condensed Consolidated Financial Statements

Rocket Internet SE, Berlin

Interim Consolidated Statement of Comprehensive Income for the Period January 1 to June 30, 2016

Income Statement	Jan 1 - Jun 30, 2016	Jan 1 - Jun 30, 2015*
	in EUR thousand	
Revenue	28,616	71,309
Changes in work in progress	0	513
Internally produced and capitalized assets	2,283	2,600
Other operating income	435	3,433
Result from deconsolidation of subsidiaries	30,378	15,742
Purchased merchandise and purchased services	−11,581	−35,476
Employee benefits expenses	−12,300	−92,587
Other operating expenses	−29,103	−42,428
Share of profit/loss of associates and joint ventures	−470,099	−8,089
EBITDA	**−461,371**	**−84,983**
Depreciation and amortization	−2,116	−3,056
EBIT	**−463,487**	**−88,039**
Financial result	**−157,051**	**44,792**
Finance costs	−196,079	−15,617
Finance income	39,028	60,409
Loss before tax	**−620,538**	**−43,247**
Income taxes	3,272	−691
Loss for the period	**−617,265**	**−43,938**
Loss attributable to non-controlling interests	34,679	10,441
Loss attributable to equity holders of the parent	**−582,586**	**−33,497**
Earnings per share (in EUR)	**−3.53**	**−0.21**

Statement of Comprehensive Income	Jan 1 - Jun 30, 2016	Jan 1 - Jun 30, 2015*
	in EUR thousand	
Loss for the period	**−617,265**	**−43,938**
Exchange differences on translation of foreign operations	492	564
Net gain on available-for-sale (AFS) financial assets	424	146,347
Deferred taxes on net gain on available-for-sale (AFS) financial assets	1	0
Share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	17,772	11,181
Deferred taxes on share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	−269	−145
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**18,419**	**157,947**
Other comprehensive income for the period, net of tax	**18,419**	**157,947**
Total comprehensive loss/income for the period, net of tax	**−598,846**	**114,009**
Total comprehensive loss/income attributable to:		
Equity holders of the parent	−566,073	123,887
Non-controlling interests	−32,773	−9,878

* Some of the figures presented differ from the figures presented in the interim condensed consolidated financial statements for the first half of 2015 due to retrospective adjustment made for business combinations according to IFRS 3.45 (see Note 4).

Rocket Internet SE, Berlin

Interim Consolidated Balance Sheet as of June 30, 2016

Assets	Jun 30, 2016	Dec 31, 2015
	in EUR thousand	
Non-current assets		
Property, plant and equipment	2,741	2,826
Intangible assets	11,876	129,127
Investments in associates and joint ventures	1,043,632	1,696,421
Non-current financial assets	1,218,194	1,333,184
Other non-current non-financial assets	620	523
Income tax assets	0	167
	2,277,063	**3,162,248**
Current assets		
Inventories	1,263	743
Trade receivables	7,648	10,085
Other current financial assets	172,554	41,260
Other current non-financial assets	3,963	5,246
Income tax asset	491	482
Cash and cash equivalents	1,682,546	1,758,889
	1,868,464	**1,816,705**
Assets classified as held for sale	161,811	17,090
Total assets	**4,307,339**	**4,996,044**

Equity and liabilities	Jun 30, 2016	Dec 31, 2015
	in EUR thousand	
Equity		
Subscribed capital	165,141	165,141
Capital reserves	3,100,061	3,105,477
Retained earnings	309,896	883,912
Other components of equity	140,357	123,844
Equity attributable to equity holders of the parent	**3,715,454**	**4,278,373**
Non-controlling interests	40,702	73,735
Total equity	**3,756,156**	**4,352,108**
Non-current liabilities		
Non-current financial liabilities	436,213	526,898
Other non-current non-financial liabilities	1,064	398
Deferred tax liabilities	4,223	8,169
	441,500	**535,465**
Current liabilities		
Trade payables	11,921	11,398
Other current financial liabilities	51,982	11,754
Other current non-financial liabilities	44,263	77,258
Income tax liabilities	1,517	512
	109,683	**100,922**
Liabilities directly associated with assets classified as held for sale	0	7,549
Total liabilities	**551,183**	**643,936**
Total equity and liabilities	**4,307,339**	**4,996,044**

Rocket Internet SE, Berlin

Interim Consolidated Statement of Changes in Equity for the Period January 1 to June 30, 2016

	Equity attributable to equity holders of the parent						
	Subscribed capital	Capital reserves	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
	in EUR thousand						
Jan 1, 2015	**153,131**	**2,482,643**	**1,014,782**	**87,116**	**3,737,672**	**34,184**	**3,771,857**
Loss for the period			−33,497		−33,497	−10,441	−43,938
Other comprehensive income for the period, net of tax				157,384	157,384	563	157,947
Total comprehensive income for the period, net of tax			**−33,497**	**157,384**	**123,887**	**−9,878**	**114,009**
Proceeds from the issuance of shares to the equity holders of the parent (cash contribution)	12,010	576,491			588,501		588,501
Transaction costs net of tax		−1,956			−1,956		−1,956
Proceeds from non-controlling interests		25,863			25,863	13,525	39,388
Dividends paid to non-controlling interests						−8,033	−8,033
Changes in scope of consolidation and other changes in non-controlling interests		−8	−1,054		−1,062	94,615	93,553
Purchase of non-controlling interest without change in control			−9,080		−9,080	−481	−9,560
Equity-settled share-based payments (IFRS 2)			32,442		32,442	2,164	34,606
	12,010	**600,390**	**−11,189**	**157,384**	**758,595**	**91,911**	**850,507**
Jun 30, 2015*	**165,141**	**3,083,034**	**1,003,593**	**244,500**	**4,496,268**	**126,096**	**4,622,363**
Jan 1, 2016	**165,141**	**3,105,477**	**883,912**	**123,844**	**4,278,373**	**73,735**	**4,352,108**
Loss for the period			−582,586		−582,586	−34,679	−617,265
Other comprehensive income for the period, net of tax				16,513	16,513	1,906	18,419
Total comprehensive loss for the period, net of tax			**−582,586**	**16,513**	**−566,073**	**−32,773**	**−598,846**
Release of income tax benefit associated with transaction costs		−1,955			−1,955		−1,955
Proceeds from non-controlling interests		800			800	332	1,132
Dividends paid to non-controlling interests						−2,140	−2,140
Changes in scope of consolidation and other changes in non-controlling interests		−4,261	5,022		761	2,070	2,831
Equity-settled share-based payments (IFRS 2)			3,549		3,549	−523	3,026
		−5,416	**−574,016**	**16,513**	**−562,918**	**−33,033**	**−595,952**
Jun 30, 2016	**165,141**	**3,100,061**	**309,896**	**140,357**	**3,715,454**	**40,702**	**3,756,156**

* Some of the figures presented differ from the figures presented in the interim condensed consolidated financial statements for the first half of 2015 due to retrospective adjustment made for business combinations according to IFRS 3.45 (see Note 4).

Rocket Internet SE, Berlin

Interim Consolidated Statement of Cash Flows for the Period from January 1 to June 30, 2016

		Jan 1 - Jun 30, 2016	Jan 1 - Jun 30, 2015*
		In EUR thousand	
1.	**Cash flow from operating activities**		
	Loss before tax	−620,538	−43,247
	Adjustments to reconcile loss before tax to net cash flows		
+	Depreciation of property, plant and equipment	507	726
+	Amortization of intangible assets	1,609	2,331
+	Equity settled share-based payment expense	3,503	34,693
+/–	Net foreign exchange differences	35	709
–/+	Gain / loss on disposal of intangible assets, property, plant and equipment	60	665
–/+	Gain / loss on disposal of non-current financial assets	49	−145
–/+	Gain / loss from deconsolidations	−30,378	−15,742
+/–	Other non-cash expenses / income	3	−1
–/+	Fair value adjustments of equity instruments FVTPL	158,398	−40,980
–	Finance income	−12,334	−688
+	Finance costs	11,058	182
–/+	Share of profit or loss of associated companies and joint ventures (equity method)	470,099	8,089
	Working capital adjustments:		
–/+	Increase / decrease in trade and other receivables and prepayments	−1,350	−10,855
–/+	Increase / decrease in inventories	−519	−3,344
+/–	Increase / decrease in trade and other payables	−24,080	6,033
+	Dividends received	535	2,698
+	Interest received	892	405
–	Interest paid	−9,196	−369
–	Income tax paid	−198	−11,768
=	**Cash flow from operating activities**	**−51,845**	**−70,611**
2.	**Cash flows from investing activities**		
+	Proceeds from sale of property, plant and equipment	35	699
–	Purchase of property, plant and equipment	−1,140	−2,532
–	Cash paid for investments in intangible assets	−2,873	−3,429
+	Proceeds from disposal of non-consolidated equity investments	107,617	22,837
–	Cash outflows for acquisitions of non-consolidated equity investments	−14,206	−1,067,324
+	Proceeds from sale of subsidiaries[1]	102,900	65
–	Acquisition of subsidiaries, net of cash acquired	0	−119,731
+/–	Cash inflows/outflows from changes in scope of consolidation	−9,375	13,142
+	Cash received in connection with short-term financial management of cash investments	293	25,921
–	Cash paid in connection with short-term financial management of cash investments	−144,265	−60,242
–	Cash paid in connection with the acquisition of financial assets and granting of long-term financial assets	−3,124	0
=	**Cash flows from investing activities**	**35,862**	**−1,190,593**

		Jan 1 - Jun 30, 2016	Jan 1 - Jun 30, 2015*
		In EUR thousand	
3.	**Cash flows from financing activities**		
+	Proceeds from issuance of shares to the equity holders of the parent	0	588,501
–	Repurchase of convertible bonds	−69,367	0
+	Proceeds from non-controlling interests	1,132	39,388
–	Purchase of non-controlling interest without change in control	0	−9,560
–	Transaction costs on issue of shares	0	−12,143
+	Proceeds from borrowings	1,056	905
–	Repayment of borrowings	−137	−650
–	Dividends paid to non-controlling interests	−2,140	−8,033
=	**Cash flows from financing activities**	**−69,456**	**598,408**
4.	**Cash and cash equivalents at the end of the period**		
	Net change in cash and cash equivalents (subtotal of 1 to 3)	−85,439	−662,796
	Net foreign exchange difference	−614	45
	Cash and cash equivalents at the beginning of the period	1,768,599	2,053,448
	Cash and cash equivalents at the end of the period	**1,682,546**	**1,390,697**

* Some of the figures presented differ from the figures presented in the interim condensed consolidated financial statements for the first half of 2015 due to retrospective adjustments made for business combinations according to IFRS 3.45 (see Note 4).

1 Cash disposed in conjunction with the sale of subsidiaries amounts to EUR 1,668 thousand (previous period EUR 769 thousand) and is presented in the line item Cash inflows/outflows from changes in scope of consolidation.

Rocket Internet SE

Notes to the Interim Condensed Consolidated Financial Statements for the first half of 2016

1 Corporate Information

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

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

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

The shares of Rocket Internet SE are 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).

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

2 Basis of Preparation and Accounting Policies

Basis of preparation

The unaudited interim condensed consolidated financial statements for the period January 1, 2016 to June 30, 2016 comply with IAS 34 (Interim Financial Reporting) in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and effective at the end of the reporting period.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements as of December 31, 2015 ("Consolidated Financial Statements 2015"). These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretation Committee (IFRS IC) approved by the IASB and in effect and adopted by the EU.

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

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

Mandatory adoption of new accounting standards

The accounting policies applied for the consolidated financial statements as of December 31, 2015 are in general unchanged. The first-time adoption of new or amended standards and interpretations in the financial year 2016 did not have a material impact on the interim condensed consolidated financial statements.

Critical judgments, estimates and assumptions in applying accounting policies

The preparation of the interim condensed consolidated financial statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, the uncertainty associated with these assumptions and estimates could lead to results which require material adjustments to the carrying amount of the asset or liability affected in future periods. The use of estimates and assumptions is explained in the Consolidated Financial Statements 2015. Below is a description of the new judgments, estimates and assumptions made by the Group during the first half of 2016.

Classification of remaining shares in Lazada

Accounting policy

Rocket Internet classifies a non-current asset as held for sale (AHFS) if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

Accounting judgment

On April 12, 2016, Rocket Internet concluded a partial disposal of Lazada. Rocket Internet's remaining stake, after the partial sale of Lazada shares and taking into account Alibaba's investment of new funds, is 9.3% (fully diluted 8.8%). Shareholders, including Rocket Internet, have also entered into a put-call arrangement with Alibaba, giving the buyer the right to purchase, and the shareholders the right to sell collectively, the remaining stakes at fair market value within a 12 to 18 month period post-closing after the first sale of shares to Alibaba. The remaining shareholdings in Lazada are classified as assets held for sale. For more information reference is made to Note 10.

Impairment of shares in Global Fashion Group

In April 2016, the Management Board of Global Fashion Group approved a financing round for Global Fashion Group of up to EUR 330 million, of which up to EUR 300 million was underwritten by Kinnevik Online AB and Rocket Internet SE with up to EUR 200 million from Kinnevik Online AB and up to EUR 100 million from Rocket Internet in form of a rights-issue. The rights-issue was agreed at a pre-money valuation of EUR 700 million, calculated on a fully diluted basis. This financing round resulted in significant impairments recognized during the first half of 2016. For more information reference is made to Note 8.

Impairment of non-current assets

The Group considers the relationship between its market capitalization and its book value, among other factors, when reviewing for indicators of impairment. During the first half of 2016, the market capitalization of the Group developed as follows:

Trading Date	Closing Price[1)]	Market Capitalization[2)]
	EUR per share	in EUR thousand
Dec 30, 2015	28.29	4,671,833
Jan 29, 2016	20.00	3,302,816
Feb 29, 2016	20.90	3,451,443
Mar 31, 2016	24.61	4,064,115
Apr 29, 2016	21.00	3,467,957
May 31, 2016	20.20	3,335,844
Jun 30, 2016	17.47	2,885,010

1) as per electronic computer trading system XETRA
2) based on 165,140,790 ordinary shares

As of June 30, 2016, the market capitalization of the Group was below the book value of its equity. The Group tested its non-current assets for impairment. As of June 30, 2016 the Group does not have any material goodwill or other intangible assets.

Unconsolidated structured entities

Structured entities are entities where voting or similar rights are not the dominant factor in determining control, such as when the voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. As with subsidiaries, a structured entity must be consolidated if Rocket Internet exerts control over it.

Accounting policy

Structured entities are consolidated when the substance of the relationship between the Group and the structured entities indicates that these are controlled by the Group. When assessing whether to consolidate or not consolidate a structured entity, the Group evaluates a range of control factors, namely:

- the purpose and design of the entity,
- the relevant activities and how these are managed,
- whether the Group's rights result in the ability to direct the relevant activities,
- whether the Group has exposure or rights to variable returns,
- whether the Group has the ability to use its power to affect the amount of its returns, as well as
- whether an investor that has power over an investee, the decision maker, is acting as a principal or an agent, including (i) scope of decision-making authority, (ii) rights held by other parties, (iii) remuneration to which the decision-maker is entitled and (iv) exposure to variability of returns.

Unconsolidated structured entities are entities which are not consolidated because the Group does not control them through voting rights, contracts, funding agreements, or other means.

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

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

Name	Company name	Registered office	Ownership of the Group	Status
RICP or Fund	Rocket Internet Capital Partners SCS and Rocket Internet Capital Partners (Euro) SCS[1)	Luxemburg	10%[2)	Structured entities
Founder SCS	Rocket Internet Capital Partners Founder SCS	Luxemburg	75%	Fully consolidated subsidiary
General partner	Rocket Internet Capital Partners Lux S.à r.l.	Luxemburg	100%	Fully consolidated subsidiary
RI Capital or advisor	RI Capital Advisors Limited	London	100%	Fully consolidated subsidiary

1) USD-Fund and EUR-parallel Fund (investors have the option to invest in USD and/or in EUR)
2) Quota relates to the total fund (USD-Fund and EUR-parallel Fund)

Both structured entities are sponsored by the Group. The general partner of the Fund acts as a fund manager. RI Capital acts as an advisor of the general partner. The general partner and the advisor are subsidiaries of Rocket Internet SE. Rocket Internet SE has underwritten an amount equal to 10% of the subscribed capital of the Fund via its participation in the Founder SCS. The remaining 90% of the equity funding are provided by third parties (institutional investors as well as high net worth individuals).

The Fund invests jointly with Rocket Internet (co-investment ratio: 80% RICP ; 20% Rocket Internet), giving third parties access to investment opportunities in high-growth, internet-based business models, as well as to Rocket Internet's investment expertise and operational platform. Under a contractual agreement with RICP, certain directors and employees of the Group participating in RICP's operations are obligated to offer to RICP any new investment opportunities received by them via the advisor, with the exception of strategic investments and seed rounds of companies incubated by Rocket Internet. Rocket Internet has the exclusive right to designate an investment as a strategic investment, thus precluding co-investments from RICP. The Fund will contribute to optimizing the capital procurement process of the portfolio companies of the Group for duration of at least nine years.

The total commitment of the Founder SCS amounts to USD 74,182 thousand (approx. EUR 66,819 thousand) of which a total amount of EUR 2,229 thousand was invested during the first half of 2016.

Accounting judgment

When deciding whether or not to consolidate a company, Rocket Internet reviews a range of factors such as voting rights, the object and structure of the entity and the ability to exert influence. The Group does not consolidate the Fund, because the general partner is deemed an agent. The Group does not control it through voting rights, contracts, funding agreements, or other means. The general partner acts as an agent and only exercises decision-making powers, which have been delegated by the passive investors (limited partners of the Fund).

Interests in unconsolidated structured entities

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

Maximum credit risk of unconsolidated structured entities

The maximum exposure to loss is determined by considering the nature of the interest in the unconsolidated structured entity. The maximum exposure for equity investments is reflected by their carrying amounts in the consolidated balance sheet. The Group is not absorbing any risk arising from the variability of returns from the structured entities via other interests such as debt investments, liquidity facilities, guarantees, derivatives, etc. As an administrator of the Fund, the general partner will bear various administrative expenses. Rocket Internet SE has pledged short-term financial assets amounting to EUR 59,719 thousand as collateral for RICP's short-term credit facility. As of June 30, 2016, RICP has drawn down EUR 29,500 thousand of that credit facility. Rocket Internet did not provide further non-contractual support during the first half of 2016 to unconsolidated structured entities. The Group is not contractually obliged to provide financial support to these entities in any form.

Profit entitlements derived from involvement with structured entities

The Founder SCS is entitled to an increased share in profits (carry) for its services in relation to the Fund. No fees were earned so far.

Size of the structured entity

The size of the Fund is determined by its net assets, which were equal to EUR 30,245 thousand as of June 30, 2016.

Scope of consolidation

As a result of Rocket Internet being an operational Internet platform, the basis of consolidation is subject to changes in each reporting period. During the reporting period, the consolidated Group has developed as follows:

	Germany	Other countries	Total
As of Dec 31, 2015	63	119	182
Foundings	2	11	13
First-time consolidation	2	3	5
Transition to associated company/ joint venture	0	−3	−3
Transition to subsidiaries of associated companies/ joint ventures	−1	−8	−9
Disposals	−1	−3	−4
Deconsolidation of inactive subsidiaries and liquidations	−16	−31	−47
Transition to unconsolidated structured entities	0	−1	−1
As of Jun 30, 2016	49	87	136

During the first half of 2016 there were no acquisitions of subsidiaries that meet the definition of a business combination. The retrospective adjustment of the provisional amounts in the first half of 2015 to the final amounts of the entities acquired in the first half of 2015 are disclosed in Note "4. Business Combinations and Measurement Period Adjustments".

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

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

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

Disposals of subsidiaries

During the first half of 2016 there were the following disposals of subsidiaries.

The sale of 77.1%[1] of the shares in Bonnyprints GmbH to Planet Cards SAS was closed on January 19, 2016.

On February 5, 2016, Rocket Internet SE announced the divestiture of the two non-core takeaway food operations La Nevera Roja in Spain and Pizzabo.it in Italy to JustEat plc. The transaction in Italy was completed on the day of announcement (closing). The transaction in Spain was completed after the regulatory approval from the Spanish competition authority, the Comisión Nacional de los Mercados y la Competencia on April 1, 2016.

1 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.

The deconsolidation of those three companies contributed EUR 183 thousand to the result from deconsolidation. In the first half of 2016, Rocket Internet received proceeds, net of cash disposed, of EUR 101,232 thousand from the sale of the above mentioned subsidiaries.

All further divestments that occurred during the first half of 2016 had no material effect on the interim financial statements.

Associates and joint ventures

Rocket Internet typically owns directly or indirectly 80% to 90% of its founded companies 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 our local 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. Historically, 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 June 30, 2016, Rocket Internet does not consolidate most of its significant companies but accounts for them using the equity method.

As of June 30, 2016, the Group has 50 associated companies/joint ventures. Their number has developed as follows:

	Germany	Other countries	Total
As of Dec 31, 2015	29	22	51
Transition of formerly consolidated subsidiaries	0	3	3
Acquisitions	0	1	1
Disposals and other changes	−3	−2	−5
As of Jun 30, 2016	26	24	50
thereof at equity	*20*	*13*	*33*
thereof at FVTPL	*6*	*11*	*17*

For more information reference is made to Note 8.

3 Segment Information

The following five reportable segments[2] exist: Home & Living, Fashion, General Merchandise, Food 1 and Food 2. The reportable segments reflect the most mature business activities of Rocket Internet. Other network companies do not meet the thresholds for reportable segments. Other investments where Rocket Internet cannot exercise significant influence neither qualify as reportable nor as operating segments.

During the six-month period ended June 30, 2016, the segment General Merchandise included Linio, Jumia and Lazada. In April 2016, Lazada was partially sold to Alibaba and ceased to represent an operating segment due to the loss of significant influence from thereon (see Note 10). Accordingly, Lazada is only presented as part of the reportable segment General Merchandise until its partial disposal in April 2016. During the six-month period ended June 30, 2016, the segment Fashion does not longer include the operations in India (Jabong brand).

2 Effective with the segment presentation as of December 31, 2015 the reference to eCommerce or marketplace has been omitted from the description of the five reportable segments. This is due to the fact that eCommerce business models increasingly engage in marketplace business models and vice versa. The reportable segments of the comparative segment information are accordingly adjusted.

Segment information for the reportable segments for the six-month period ended June 30, 2016 is set out below (in EUR thousand):

	Home & Living	Fashion	General Merchandise	Food 1	Food 2	Other	Reconciliation[3]	Total
2016								
Revenue	241,369	455,799	122,666	291,500	21,678	87,783	−1,192,178	28,616
EBITDA[4]	−37,569	−82,324	−132,039	−49,153	−34,598	30,632	−156,320	−461,371
Cash and cash equivalents[5]	48,281	120,210	111,893	132,605	72,133	1,033,489	163,936	1,682,546

Segment information for the reportable segments for the six-month period ended June 30, 2015 is restated due to changes in the segment reporting structure in 2015 as set out below (in EUR thousand):

	Home & Living[6]	Fashion	General Merchandise[6]	Food 1[6]	Food 2[6]	Other[6]	Reconciliation[6, 7]	Total
2015								
Revenue	226,357	418,252	221,426	112,515	13,378	89,031	−1,009,650	71,309
EBITDA[4]	−74,984	−160,874	−213,313	−22,328	−49,564	−75,415	511,495	−84,983
Cash and cash equivalents[8]	136,578	75,724	240,699	118,077	153,306	1,473,953	−808,138	1,390,199

4 Business Combinations and Measurement Period Adjustments

During the first half of 2016 there were no transactions or other events that meet the definition of a business combination.

Information on prior year acquisitions

On January 30, 2015, the Group acquired 100% of the voting shares of Webs S.r.l. (Pizzabo.it), an unlisted company based in Bologna and a developer and operator of an online delivery platform for takeaway pizzas and other food. The consideration paid included an element of contingent consideration.

On January 26, 2015, the Group further acquired 100% of the voting shares of Grupo Yamm Comida a Domicilio S.L. (La Nevera Roja), an unlisted company based in Madrid and a developer of an online delivery platform for takeaway food as well as a delivery service provider to restaurants that do not own their own delivery service.

Measurement period adjustments to business combinations during the first half of 2015

During the first half of 2015, Rocket Internet accounted for business combinations by using provisional amounts pursuant to IFRS 3.45. The provisionally determined fair values of the identifiable assets and liabilities of Pizzabo.it and La Nevera Roja are disclosed in the Notes to the interim condensed consolidated financial statements for the first half of 2015. In completing the acquisition accounting in the second half of 2015, the Company recognized the final fair values of Pizzabo.it and La Nevera Roja. The respective disclosures are made in the Consolidated Financial Statements 2015. The adjustment from the provisional amounts to the final amounts was done retrospectively for the first half of 2015. The measurement period adjustments reflect refinements of the initial fair value of certain assets acquired and liabilities assumed. They are based on facts and circumstances existing as of the acquisition date and did not result from intervening events subsequent to the acquisition date. The adjustments were mainly the result of updated information concerning expected cash flows as well as refined parameters applied in the intangible asset valuation.

3 The reconciliation column includes the elimination of EUR 1,202,342 thousand of revenues and adjustments of EBITDA of EUR 409,662 thousand from non-consolidated network companies. Moreover, the effects from consolidation are included in the reconciliation column.

4 Earnings before interest, taxes, impairment, depreciation and amortization.

5 Except for cash and cash equivalents included in the assets classified as held for sale amounting to EUR 4,599 thousand in the Fashion segment.

6 Restated.

7 The reconciliation column includes the elimination of EUR 1,022,677 thousand of revenues and adjustments of EBITDA of EUR 583,111 thousand from non-consolidated network companies. Moreover, the effects from consolidation are included in the reconciliation column.

8 Except for cash and cash equivalents included in the assets classified as held for sale amounting to EUR 498 thousand in Rocket Internet Group.

The following tables summarize the impacts on the comparative information on the Group's balance sheet and statement of comprehensive income resulting from the measurement period adjustments:

Balance sheet as of June 30, 2015

	Provisional (as previously reported)	Measurement period adjustments for Pizzabo.it	Measurement period adjustments for La Nevera Roja	Final (as adjusted)
	In EUR thousand			
Goodwill	81,496	14,461	21,830	117,787
Other intangible assets	80,247	−18,891	−30,619	30,737
Total intangible assets	161,743	−4,430	−8,789	148,524
Deferred tax liability	23,651	−5,299	−9,845	8,507
Equity	4,620,439	868	1,057	4,622,363

Statement of comprehensive income for the first half of 2015

	Provisional (as previously reported)	Measurement period adjustments for Pizzabo.it	Measurement period adjustments for La Nevera Roja	Final (as adjusted)
	In EUR thousand			
Depreciation and amortization	−4,731	613	1,062	−3,056
Income tax expenses	−941	255	−5	−691
Loss for the period	−45,862	868	1,057	−43,938
Total comprehensive income for the period, net of tax	112,084	868	1,057	114,009
Earnings per share (in EUR)	*−0.22*	*0.00*	*0.01*	*−0.21*

5 Revenue

Revenue for the period comprises the following:

	Jan 1 - Jun 30, 2016	%	Jan 1 - Jun 30, 2015	%
	In EUR thousand		In EUR thousand	
Rendering of services	22,274	78%	26,904	38%
Sale of goods	5,674	20%	44,405	62%
Interest	668	2%	0	0%
Total	**28,616**	**100%**	**71,309**	**100%**

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

The decrease of revenues from sale of goods mainly results from the disposal of the subsidiaries Tricae Comercio Varejista Ltda. und Kanui Comercio Varejista Ltda. during the second half of 2015, which were fully consolidated in the first half of 2015 and contributed EUR 39,421 thousand to total revenues.

6 Employee Benefits Expenses

Employee benefits expenses, which amounted to EUR 12,300 thousand (previous year period EUR 92,587 thousand), included the current remuneration as well as expenses arising from equity-settled and cash-settled share-based payments and other incentives. The significant decrease by EUR 80,287 thousand results from the following:

Employee benefits expense reconciliation	**Impact on expense in EUR thousand**
Reduced expenses for salaries, bonuses and social security due to decreased average number of own staff employed by consolidated companies mainly driven by the deconsolidation of subsidiaries as well as the reduction of expenses for freelancers and temporary agency workers	−20,658
Revaluation of liabilities for cash-settled share-based payments and other incentives (EUR 23,596 thousand; previous period: EUR -4,844 thousand) mainly driven by the decrease in fair value of the underlying equity instruments (e.g. Zalando, Global Fashion Group)	−28,440
Decrease of expenses for equity-settled share-based payments mainly driven by deconsolidation of subsidiaries and front-loading recognition of expenses (graded vesting)	−31,190
Total	**−80,287**

7 Intangible Assets

Intangible assets are comprised of the following:

	Jun 30, 2016	**Dec 31, 2015**
	In EUR thousand	
Internally generated intangible assets	7,974	6,990
Purchased trademarks/customer base	1,799	20,754
Purchased software and other intangible assets	1,360	2,022
Goodwill	743	99,361
Total intangible assets	**11,876**	**129,127**

The decrease of intangible assets mainly results from the sale of La Nevera Roja and Pizzabo.it in the first half of 2016.

8 Investments in Associates and Joint Ventures

Investments accounted for using the equity method:

	Jun 30, 2016	**Dec 31, 2015**
	In EUR thousand	
Investments in associates	667,516	1,385,961
Investments in joint ventures	376,116	310,460
Total investments in associates and joint ventures	**1,043,632**	**1,696,421**

The decrease of investments in associates by EUR 718,445 thousand primarily originates from negative results of Global Fashion Group. During the first half of 2016, Rocket Internet recognized a proportionate share of loss from Global Fashion Group of EUR 357,317 thousand of which EUR 334,245 thousand relate to impairment charges recognized by Global Fashion Group. Additionally, Rocket Internet recognized on the Group level further impairment losses related to Global Fashion Group of EUR 25,655 thousand based on the pre-money valuation of the latest financing round.

Furthermore, during the first half of 2016, Rocket Internet recognized on the Group level losses from impairment of other associates amounting to EUR 111,394 thousand primarily attributable to Linio (EUR 58,742 thousand) and Lendico (EUR 19,482 thousand).

The increase of interest in joint ventures by EUR 65,656 thousand mainly results from the Group's investment in Africa Internet Holding GmbH (AIH) during the first half of 2016, as well as from the deconsolidation and transition to joint venture of Bus Serviços de Agendamento Ltda. (Clickbus Brazil).

In the first half of 2016, the Group has invested EUR 32,004 thousand in joint ventures (thereof paid in cash EUR 2,803 thousand). The cash investment made in associates accounted for using the equity method during the first half of 2016 amounted to EUR 1,198 thousand.

Investments in associates

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

Trade name	Name of associate	Registered office	Principal activity	Ownership Jun 30, 2016	Ownership Dec 31, 2015	Ownership Jun 30, 2015
AEH New Africa II (Holding for parts of Jumia)[1]	AEH New Africa eCommerce II GmbH	Berlin	eCommerce/ marketplace	71.2%	34.6%	34.6%
foodpanda	Emerging Markets Online Food Delivery Holding S.à r.l.	Luxemburg	marketplace	49.1%	49.1%	50.0%
Global Fashion	Global Fashion Group S.A.	Luxemburg	eCommerce	27.0%	26.9%	24.9%
HelloFresh[1]	HelloFresh AG	Berlin	eCommerce	55.8%	56.7%	51.7%
Home24	Home24 AG	Berlin	eCommerce	44.6%	45.5%	46.3%
Lazada[2]	Lazada Group S.A.	Luxemburg	marketplace/ eCommerce	n/a	22.8%	34.5%
Linio[3) 4)]	New Tin Linio II GmbH / TIN Jade GmbH	Berlin	marketplace/ eCommerce	20.4%	31.0%	67.8%
Westwing	Westwing Group GmbH	Berlin	eCommerce	32.2%	32.2%	32.2%

1) No control due to specific regulations in the shareholders' agreement.
2) As of June 30, 2016, remaining stake of Lazada (equity interest of 9.3%) is included in assets classified as held for sale following the partial disposal in April 2016.
3) As of June 30, 2016 and December 31, 2015, "Linio" refers to New Tin Linio II GmbH, as of June 30, 2015 "Linio" refers to TIN Jade GmbH.
4) As of June 30, 2016 and December 31, 2015, the economic ownership used for the purposes of the equity method differs from the legal equity interest (June 30, 2016: 30.1%, December 31, 2015: 46.0%).

Selected key financial indicators of the associates

The selected key financial indicators in respect of the Group's material associates are set out below. The selected key financial indicators below represent amounts shown in the associate's financial statements and adjusted by the Group for equity accounting purposes. All the material associated companies prepare consolidated financial information in accordance with IFRS. Key financial indicators are presented for both the Group's direct investments in associates being operating network companies as well as for associates being an intermediate holding company (e.g. AEH New Africa II). During the first half of 2016 and 2015, AEH New Africa II did not fully consolidate their operating network companies.

	Jan 1 - Jun 30, 2016		Jan 1 - Jun 30, 2015	
	Revenue	Loss	Revenue	Loss
	In EUR thousand			
AEH New Africa II (a holding for parts of Jumia)	0	−8,377	0	−8,400
foodpanda	21,678	−42,354	13,378	−53,363
Global Fashion[1]	455,799	−1,388,124	418,252	−194,673
HelloFresh	291,500	−57,168	112,515	−23,307
Home24	123,477	−33,890	117,584	−46,881
Linio	20,222	−24,481	37,083	−38,033
Westwing	117,892	−11,987	108,773	−38,877

1) Loss for the first half of 2016 includes impairment losses of EUR 1,241,138 thousand.

Investments in joint ventures

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

Trade name	Name of joint venture	Registered office	Principal activity	Ownership Jun 30, 2016	Ownership Dec 31, 2015	Ownership Jun 30, 2015
Africa Internet Group[1]	Africa Internet Holding GmbH	Berlin	eCommerce/ marketplace	25.4%	33.3%	33.3%
Asia Pacific Internet Group[1]	Asia Internet Holding S.à r.l.	Luxemburg	eCommerce/ marketplace	50.0%	50.0%	50.0%
Middle East Internet Group[1]	Middle East Internet Holding S.à r.l.	Luxemburg	eCommerce/ marketplace	50.0%	50.0%	50.0%

1) Strategic partnership for the Group, providing access to new customers and markets in the respective regions Africa, Asia-Pacific and Middle East.

Selected key financial indicators of the joint ventures

The selected key financial indicators in respect of the Group's material joint ventures are set out below and represent amounts shown in the joint ventures' financial statements and adjusted by the Group for equity accounting purposes. All the material joint ventures prepare consolidated financial information in accordance with IFRS.

	Jan 1 - Jun 30, 2016		Jan 1 - Jun 30, 2015	
	Revenue	Loss	Revenue	Loss
	In EUR thousand			
Africa Internet Group	37,749	−63,428	80,485	−75,622
Asia Pacific Internet Group	5,314	−21,293	6,273	−19,670
Middle East Internet Group	10,079	−12,322	2,579	− 7,709

9 Notes to the Statement of Cash Flows

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

	Jun 30, 2016	Dec 31, 2015	Jun 30, 2015
	In EUR thousand		
Balance sheet line item Cash and cash equivalents	1,682,546	1,758,889	1,390,199
Cash and bank balances included in the assets classified as held for sale	0	9,710	498
Cash and cash equivalents	**1,682,546**	**1,768,599**	**1,390,697**

10 Assets Classified as Held for Sale and Liabilities Associated with Assets Classified as Held for Sale

The Group's basis of consolidation, as well as the shares held in subsidiaries, associated companies, joint ventures or other investments, change in each financial period. Sometimes an agreement with new investors is signed before the balance sheet date, but executed after the balance sheet date. In those cases all related assets and liabilities are classified as assets held for sale.

As of June 30, 2016, assets classified as held for sale and liabilities associated with assets classified as held for sale comprise the following:

Jun 30, 2016	Lazada	getAbstract	Total
	In EUR thousand		
Equity instruments at FVTPL – not listed	157,907	0	157,907
Associated companies at FVTPL – not listed	0	3,904	3,904
Non-current assets	**157,907**	**3,904**	**161,811**
Assets classified as held for sale	**157,907**	**3,904**	**161,811**

As of June 30, 2016, assets classified as held for sale mainly include Lazada shares. Rocket Internet's remaining stake after the partial sale of Lazada shares in April 2016 and taking into account Alibaba's investment of new funds is 9.3% (fully diluted 8.8%). Shareholders, including Rocket Internet, have also entered into a put-call arrangement with Alibaba, giving the buyer the right to purchase and the shareholders the right to sell collectively their remaining stakes at fair market value within a 12 to 18 month period post-closing of the transaction.

As of December 31, 2015 assets classified as held for sale and liabilities associated with assets classified as held for sale comprise the following:

Dec 31, 2015	Spotcap	Other	Total
	In EUR thousand		
Intangible assets	395	9	404
Property, plant and equipment	54	86	140
Financial assets	13	13	26
Other non-current assets	130	0	130
Non-current assets	**593**	**107**	**700**
Inventories	0	23	23
Trade receivables	1	853	854
Other current financial assets	4,619	1,076	5,695
Other current non-financial assets	68	40	108
Cash and cash equivalents	5,898	3,812	9,710
Current assets	**10,586**	**5,804**	**16,390**
Assets classified as held for sale	**11,179**	**5,911**	**17,090**
Other non-current financial liabilities	50	0	50
Other non-current non-financial liabilities	53	0	53
Non-current liabilities	**103**	**0**	**103**
Current loans	3,989	0	3,989
Current bank liabilities	0	144	144
Trade payables	390	1,930	2,320
Other current financial liabilities	25	0	25
Other current non-financial liabilities	90	879	970
Current liabilities	**4,493**	**2,953**	**7,446**
Liabilities directly associated with assets classified as held for sale	**4,596**	**2,953**	**7,549**

An increase of capital of the online loan platform Spotcap Global S.à r.l. was conducted with external investors in December 2015, which resulted in a dilution of Rocket Internet's interest to less than 50%. The transaction was completed on May 30, 2016 (closing) and as a result Rocket Internet lost control over Spotcap Global S.à r.l. A capital increase of Bus Serviços de Agendamento Ltda. (Clickbus Brazil) was decided upon in October 2015, as a result of which the Group will hold a share of 50%. The relevant articles of association were signed in November 2015. The transaction was completed (closing) on March 30, 2016 and as a result Rocket Internet lost control over Clickbus. In accordance with the contract dated December 16, 2015 the sale of Bonnyprints GmbH to Planet Cards SAS was agreed. The transaction was completed on January 19, 2016 (closing) resulting in loss of control over Bonnyprints GmbH.

The gain from deconsolidation of these entities amounted to EUR 26,170 thousand.

11 Share Capital and Reserves

As of June 30, 2016 and December 31, 2015, subscribed capital (share capital) amounted to EUR 165,141 thousand and was fully paid-in. The registered share capital was divided into 165,140,790 no-par value bearer shares. As of June 30, 2016, no treasury shares were held.

During the first half of 2016 and 2015, no dividends were declared or paid to the shareholders of the parent company.

During the first half of 2016, a fully consolidated subsidiary paid a cash dividend to a non-controlling shareholder of EUR 2,140 thousand (previous year period: EUR 8,033 thousand).

12 Share-Based Compensation — Equity-Settled Arrangements

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

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

Compared to December 31, 2015, there were no major changes with regard to these plans.

13 Financial Instruments

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

	IAS 39 Measurement category	Measured at	Level	Carrying amount Jun 30, 2016	Carrying amount Dec 31, 2015	Fair Value Jun 30, 2016	Fair Value Dec 31, 2015
				In EUR thousand			
Non-current financial assets							
Equity instruments - listed companies	fafvo	FVTPL	1	26,450	40,923	26,450	40,923
Equity instruments - not listed companies	fafvo	FVTPL	3	168,023	281,425	168,023	281,425
AFS equity investments[1]	afs	FVTOCI	3	999,540	999,116	999,540	999,116
Subsidiaries outside consolidation	afs	C	n/a	1,865	1,975	n/a	n/a
Derivative financial instruments	fvtpl	FVTPL	3	2,405	0	2,405	0
Receivables from the sale of investments	lar	AC	3	9,449	1,032	9,449	1,032
Convertible loans managed as investments	lar	AC	3	1,725	0	1,725	0
Other non-current financial assets measured at fair value	fafvo	FVTPL	3	8,692	8,692	8,692	8,692
Other non-current financial assets	lar	AC	3	47	21	47	21
Current financial assets							
Loan receivables from associated companies and joint ventures	lar	AC	n/a	91,828	33,307	91,828	33,307
Asset backed securities issued by associated companies	lar	AC	n/a	2,015	0	2,015	0
Loan receivables from subsidiaries (outside consolidation)	lar	AC	n/a	1,114	1,328	1,114	1,328
Receivables from the sale of investments	lar	AC	n/a	12,623	2,543	12,623	2,543
Bank deposits	lar	AC	n/a	59,719	0	59,719	0
Security deposits	lar	AC	n/a	2,318	625	2,318	625
Other current financial assets	lar	AC	n/a	2,937	3,457	2,937	3,457
Cash and cash equivalents	lar	AC	n/a	1,682,546	1,758,889	1,682,546	1,758,889
Trade receivables	lar	AC	n/a	7,648	10,085	7,648	10,085
Financial assets classified as held for sale							
Equity instruments - not listed companies	fafvo	FVTPL	3	161,811	0	161,811	0
Loan receivables	lar	AC	n/a	0	5,663	0	5,663
Other financial assets	lar	AC	n/a	0	32	0	32
Trade receivables	lar	AC	n/a	0	854	0	854
Cash and cash equivalents	lar	AC	n/a	0	9,710	0	9,710

1) As of June 30, 2016 mainly non-consolidated shares in Delivery Hero of EUR 979,409 thousand (December 31, 2015: EUR 978,944 thousand).

	IAS 39 Measurement category	Measured at	Level	Carrying amount		Fair Value	
				Jun 30, 2016	Dec 31, 2015	Jun 30, 2016	Dec 31, 2015
				In EUR thousand			
Non-current financial liabilities							
Liabilities from convertible bonds[1]	ofl	AC	3	436,213	511,968	378,636	505,725
Contingent consideration	flfv	FVTPL	3	0	7,622	0	7,622
Mandatorily redeemable preference shares and other derivatives (warrant) issued by a consolidated subsidiary	ofl	AC	3	0	5,950	0	5,950
Loan liabilities	ofl	AC	3	0	1,211	0	1,211
Other non-current financial liabilities	ofl	AC	3	0	147	0	147
Interest-bearing loans and borrowings (current)							
Liabilities from convertible bonds	ofl	AC	n/a	6,140	7,242	6,140	7,242
Loan liabilities	ofl	AC	n/a	4,085	3,523	4,085	3,523
Bank liabilities	ofl	AC	n/a	1	12	1	12
Other current financial liabilities							
Contingent consideration	flfv	FVTPL	3	11,523	0	11,523	0
Liabilities from capital calls	ofl	AC	n/a	29,201	0	29,201	0
Other current financial liabilities	ofl	AC	n/a	1,031	978	1,031	978
Trade payables	ofl	AC	n/a	11,921	11,398	11,921	11,398
Financial liabilities directly associated with assets classified as held for sale							
Loan liabilities	ofl	AC	n/a	0	3,989	0	3,989
Bank liabilities	ofl	AC	n/a	0	144	0	144
Other current financial liabilities	ofl	AC	n/a	0	75	0	75
Trade payables	ofl	AC	n/a	0	2,320	0	2,320
Thereof aggregated according to the measurement categories of IAS 39							
Available-for-sale (afs)				1,001,404	1,001,091	999,540	999,116
Financial assets measured at fair value through profit or loss mandatorily (fvtpl)				2,405	0	2,405	0
Financial assets under fair value option (fafvo)				364,976	331,041	364,976	331,041
Loans and receivables (lar)				1,873,968	1,827,546	1,873,968	1,827,546
Financial liabilities at fair value (flfv)				11,523	7,622	11,523	7,622
Other financial liabilities (ofl)				488,592	548,955	431,015	542,712

1) Fair value measurement based on the price of the convertible bond as of June 30, 2016 of 81.20% (December 31, 2015: 91.95%) (Level 3).

The following **measurement methods** were used:

AC - Amortized cost,

C - Cost,

FVTOCI - Fair value through other comprehensive income,

FVTPL - Fair value through profit or loss.

When an information is stated n/a (not applicable), this means that the information is not provided because the relevant disclosure requirements do not apply.

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

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

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

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

There were no reclassifications between fair value measurement at Level 1, Level 2 and Level 3 in the first half of 2016.

Change in financial assets accounted for at fair value through profit and loss

	Jan 1 - Jun 30, 2016		Jan 1 - Jun 30, 2015	
	all	**Level 3 only**	**all**	**Level 3 only**
	In EUR thousand			
Opening balance as of Jan 1	**331,041**	**290,117**	**336,547**	**280,962**
Additions (including contributions in kind)	12,174	12,174	36,837	36,837
Reclassifications[1]	185,893	185,893	−15,557	−15,557
Changes in fair value recognized in profit or loss	−158,398	−144,889	40,980	35,213
Disposals	−3,330	−2,365	−83,132	−67,297
Closing balance as of Jun 30	**367,381**	**340,931**	**315,675**	**270,158**

1) Reclassifications during the first half of 2016 mainly relate with EUR 153,663 thousand to Lazada and with EUR 26,816 thousand to TravelBird which were accounted for as associated companies measured at equity in the past. Reclassifications during the first half of 2015 mainly relate to TravelBird which is accounted for as an associated company measured at equity as of June 30, 2015.

In the first half of 2016, the changes in fair value of unlisted equity instruments of EUR −158,398 thousand predominantly relate to valuation losses due to changes in growth, profitability and risk expectations. New expectations have been considered with reduced margins, lower long-term growth rates and increased discount rate because of higher risk premiums. The parameters have been assessed individually for the investments. The major fair value losses of unlisted equity instruments result from Goodgame Studios of EUR 71,188 thousand, TravelBird of EUR 22,623 thousand, Craftsvilla of EUR 8,253 thousand and Movinga of EUR 7,022 thousand. The changes in fair value of listed shares mainly result from disposals and market share price changes of Zalando of EUR −13,588 thousand.

In the first half of 2015, the changes in fair value of unlisted equity instruments of EUR 35,213 thousand primarily relate to gain from disposal of shares in Yemek Sepeti (in exchange for shares in DHH) and gains from valuation of MarleySpoon and Bondora. The changes in fair value of listed shares of EUR 5,767 thousand result from disposals and market share price changes of Zalando and care.com.

Change in AFS financial assets measured at fair value

	Jan 1 - Jun 30, 2016		Jan 1 - Jun 30, 2015*	
	all	Level 3 only	all	Level 3 only
	In EUR thousand			
Opening balance as of Jan 1	**999,116**	**999,116**	**0**	**0**
Additions	0	0	863,804	863,804
Changes in fair value recognized in OCI	424	424	147,676	147,676
Reclassification to profit or loss	0	0	−1,329	−1,329
Disposals	0	0	−15	−15
Closing balance as of Jun 30	**999,540**	**999,540**	**1,010,135**	**1,010,135**

* restated

Change in financial liabilities accounted at fair value through profit and loss

	Jan 1 - Jun 30, 2016		Jan 1 - Jun 30, 2015	
	all	Level 3 only	all	Level 3 only
	In EUR thousand			
Opening balance as of Jan 1	**7,622**	**7,622**	**0**	**0**
Additions	3,491	3,491	7,272	7,272
Changes in fair value recognized in profit or loss	410	410	160	160
Closing balance as of Jun 30	**11,523**	**11,523**	**7,432**	**7,432**

Repurchase of convertible bonds

During the first half of 2016, the Group repurchased convertible bonds with an aggregate principal amount of EUR 83,700 thousand for an amount of EUR 69,367 thousand. As of June 30, 2016, the aggregate outstanding principal amount of the convertible bonds amounted to EUR 466,300 thousand.

Fair value measurement

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

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

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

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

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

Fair value measurement of non-listed equity instruments

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

Firstly, it is considered whether any significant, recent transactions were made at arm's length in the companies (e.g. transaction where shares were issued to a new investor). For new share issues, it is taken into account whether the newly issued shares have better preference to the company's assets than earlier issued shares in the event of sale or liquidation of the company. If preferential rights have a significant impact on the assessment of the respective equity classes, the fair value is determined by using an option pricing model based on the last financing rounds and under consideration of liquidation preferences attached to the respective equity classes as stipulated in the entities' shareholder agreements. The value of such liquidation preferences is dependent on the probability of future exit scenarios. Given that there are multiple classes of equity at the network company level, we employ the hybrid method in order to allocate values to the various equity classes. The hybrid method is a hybrid between the probability-weighted expected return method and the option pricing method, which estimates the probability-weighted value across future exit scenarios, but uses the option-pricing-model to estimate the remaining unknown potential exit scenarios. Relevant valuation inputs include assumptions on the allocation of exit proceeds to share classes in future exit scenarios (liquidation preferences), but also consist of peer group assumptions (stock price volatility), dividend yield (estimated at zero) and the risk-free interest rate at the end of the reporting period. Furthermore, exit scenarios in which liquidation preferences were considered relevant to the fair value were estimated with probability percentages that lie between 0% and 70%.

For companies where no or few recent arm's length transactions have been carried out, a valuation is conducted based on future cash flows which are discounted to receive their present value. Inputs used for discounted cash flow (DCF) valuations are business plans, cost of capital plus a risk premium and assumptions used to determine the sales proceeds at the end of the detailed planning phase. Costs of capital are derived based on the capital asset pricing model, where capital market data for peer groups, risk-free interest rates and risk premiums are used. In addition, a risk premium is added to the cost of capital. The risk premium reflects the uncertainty that results from the fact that the companies are still in the start-up or early development phase. The risk-free rate is calculated using the Svensson's method and amounts to 1.0%. Country risk premiums between 0% and 14.9% and a small cap premium of 3.6% are also applied. Long term inflation rates between 0% and 10.0% (with the exception of Venezuela at 4,600.01% and Central African Republic at - 1.66%) are also used in the calculation, as forecast by the International Monetary Fund. For additional risk premiums, surcharges of between 7% and 47% are applied, depending on the age and development phase of each company. To determine the sales revenues at the end of the detailed planning phase, sales multiples in the range of 0.9x to 12.6x and/or EBITDA multiples in the range of 5.7x to 29.9x are applied. The multiples are derived from comparable transactions or comparable listed companies in the capital market. Other parameters include an estimate of working capital assumptions, tax rates and assumptions for investment activity and depreciation.

Share price risk

The Group is exposed to financial risks in respect to share prices, meaning the risk of changes in the value of the shareholdings. Rocket Internet's operations include management of shareholdings (equity instruments) measured at fair value comprising considerable investments in a small number of unlisted companies. Accordingly, Rocket Internet's asset, financial and earnings position is dependent on how well these companies develop. The concentration of the shareholdings leads to a risk that renders it more difficult for Rocket Internet to make major changes in the composition of the shareholdings in a 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.

Equity instruments measured at fair value through profit or loss - Impact of valuation parameters

On June 30, 2016, 1% (previous year: 1%) of Rocket Internet's total assets were listed equity instruments and 8% (previous year: 6%) were unlisted equity instruments measured at fair value.

On June 30, 2016, 6% (previous year: 3%) of the total assets were unlisted equity instruments measured based on transaction prices, as well as 2% (previous year: 3%) of the total assets were unlisted equity instruments measured using the DCF method.

The effect of changing critical input factors of the valuation technique on the fair value of Goodgame Studios, Rocket Internet's most significant unlisted investment measured at fair value through profit or loss in the first half of 2016, is shown below.

Simulation of the fair value as of June 30, 2016, in EUR thousand:

Goodgame Studios		**Exit multiple**		
		−20%	0%	+20%
	−20%	15,434	16,107	16,780
Cost of Capital	0%	13,527	14,088	14,649
	+20%	11,955	12,426	12,897

Equity instruments measured at fair value through other comprehensive income (OCI) - Impact of valuation parameters

As of June 30, 2016, 23% (previous year: 20%) of the total assets of Rocket Internet's balance sheet comprise unlisted equity instruments that are measured at fair value through OCI.

As of June 30, 2016, 23% (previous year: 20%) of the total assets were unlisted equity instruments measured using the DCF method, as well as 0% (previous year: 0%) of the total assets were unlisted equity instruments measured based on transaction prices.

The effect of changing critical input factors in the valuation technique on the fair value of Delivery Hero, which was the most significant unlisted investment that was measured at fair value through OCI, is shown in the table below.

Simulation of the fair value as of June 30, 2016, in EUR thousand:

Delivery Hero		**Exit multiple**		
		−20%	0%	+20%
	−20%	1,088,854	1,170,425	1,251,995
Cost of Capital	0%	913,030	979,409	1,045,789
	+20%	770,117	824,339	878,562

Associated companies measured at FVTPL

The investment made in the first half of 2016 in associated companies accounted for at FVTPL (IAS 28.18) amounted to EUR 500 thousand.

14 Contingencies and other Contractual Obligations

As of the reporting date, there are no contingencies.

The Group reports other contractual obligations for the following items:

	Jun 30, 2016	**Dec 31, 2015**
	In EUR thousand	
Capital contribution and investment obligations to associated companies	100,066	999
Capital contribution and investment obligations to joint ventures	0	60,001
Investment obligations to unconsolidated structured entities	64,582	0
Capital contribution and investment obligations to third parties	485	0
Rental and lease agreements	86,765	89,457
Loans granted	60,000	0
Loans granted to associated companies	25,000	4,000
Asset backed securities issued by associated companies	8,000	0
Total contractual obligations	**344,898**	**154,457**

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

	Jun 30, 2016	**Dec 31, 2015**
	In EUR thousand	
Not later than 1 year	2,242	3,112
Later than 1 year and not later than 5 years	30,110	27,408
Later than 5 years	54,412	58,937
Total operating lease commitments	**86,765**	**89,457**

	Jan 1 - Jun 30, 2016	**Jan 1 - Jun 30, 2015**
	In EUR thousand	
Lease payments during the period	1,868	2,677

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

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

15 Significant Balances and Transactions with Related Parties

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

Shareholder with significant influence

Trade name	Company name	Significant influence period
Global Founders	Global Founders GmbH, Grünwald (Germany)	Jan 1, 2015 - Jun 30, 2016

Transactions with the shareholder with significant influence

No transactions were conducted with Global Founders GmbH in the first half of 2016 and 2015.

Transactions with associated companies, joint ventures and unconsolidated structured entities

The transactions in the period January 1 to June 30, 2016 and January 1 to June 30, 2015 and outstanding balances with associates under significant influence of the Group are as follows:

	Jan 1 - Jun 30, 2016	Jan 1 - Jun 30, 2015
	In EUR thousand	
Sales to associates	5,932	9,699
Purchases from associates	−236	−21
Interest income from associates	2,555	299
Interest payments to associates	0	−1

	Jun 30, 2016	Dec 31, 2015
	In EUR thousand	
Amounts owed by associates:		
Trade receivables	1,502	3,771
Other financial receivables (current)	85,963	29,164
Derivative financial instruments (warrant)	2,405	0
Asset backed securities issued by associated companies	2,015	0
Amounts owed to associates:		
Trade payables	275	958
Other financial liabilities (current)	220	328

The transactions in the period January 1 to June 30, 2016 and January 1 to June 30, 2015 and outstanding balances with joint ventures of the Group are as follows:

	Jan 1 - Jun 30, 2016	Jan 1 - Jun 30, 2015
	In EUR thousand	
Sales to joint ventures	2,096	3,905
Purchases from joint ventures	−32	−500
Interest income from joint ventures	7	5
Interest payments to joint ventures	−2	−8

	Jun 30, 2016	Dec 31, 2015
	In EUR thousand	
Amounts owed by joint ventures:		
Trade receivables	1,600	2,203
Other financial receivables (current)	5,865	4,143
Amounts owed to joint ventures:		
Trade payables	83	256
Liabilities from capital calls	29,201	0
Other financial liabilities (current)	2,509	2,573

The transactions in the period January 19, 2016 (establishment of the RICP) to June 30, 2016 and outstanding balances with unconsolidated structured entities of the Group are as follows:

	Jan 19 - Jun 30, 2016
	In EUR thousand
Interest payments to structured entities	− 1

	Jun 30, 2016
	In EUR thousand
Amounts owed by structured entities:	
Trade receivables	334
Amounts owed to structured entities	
Other financial liabilities (current)	179

In the tables above the other financial receivables and liabilities relate to short-term loans.

Transactions with members of the key management personnel

In January 2016, Norbert Lang (vice-chairmen of the Supervisory Board), through an entity owned by him and his wife, purchased convertible bonds of Rocket Internet SE with a principal amount of EUR 2,000 thousand. The convertible bonds mature in July 2022 and have an interest rate of 3% per annum payable semi-annually on January 22 and July 22. As of June 30, 2016, the carrying amount of the liabilities from convertible bonds held by Norbert Lang totals EUR 1,871 thousand.

Other related party transactions in the first half of 2016 are of the same character as the transactions described in the Consolidated Financial Statements 2015.

Transactions with close family members of the Management Board

In the first half of 2016, the Group incurred cost of EUR 18 thousand for reimbursement of travel costs charged by Marc Samwer based on a consulting agreement. As of June 30, 2016, the liability against Marc Samwer amounted to EUR 18 thousand.

16 Events after the Reporting Period

The Global Fashion Group announced a funding round of EUR 330.0 million, which has been subscribed by existing investors including Rocket Internet and RICP on July 22, 2016. Due to high demand, the initial underwritten minimum capital raising of EUR 300.0 million was increased to EUR 330.0 million. Rocket Internet has invested EUR 18.9 million in cash in July 2016 and received shares from conversion of existing convertible preference shares. The transaction values Global Fashion Group at EUR 1.0 billion post the investment. Rocket Internet's direct and indirect stake after the transaction is 20.4% (beneficial interests including RICP).

On July 25, 2016, Rocket Internet SE announced that the member of the Management Board Alexander Kudlich accepted the granting of 292,680 share options in line with the stock option program 2014/II of Rocket Internet SE. The exercise of the share options depends in particular on the achievement of performance targets, the expiration of the four year waiting period as well as the occurrence of vesting. The exercise price per share option corresponds to the volume-weighted average closing price of the shares during the twenty consecutive trading days before the granting of share options.

Following a strategic review of its Indian operation, the board of Global Fashion Group concluded that Jabong's position would be best served through a business combination with a local player. In July 2016, Global Fashion Group entered into an agreement to sell Jabong to FK Myntra Holdings Private Limited, a member of the Flipkart Group, for USD 70 million in cash. The transaction is subject to customary closing conditions.

In July 2016, Linio initiated a new financing round in which Rocket Internet did not participate. The financing round was notarized on August 31, 2016 (signing). As a result, Rocket Internet SE's fully-diluted stake in Linio will decrease significantly below 20%. Anticipating the outcome of this financing round, the Group has recognized impairment losses of EUR 58.7 million in the first half of 2016.

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

17 Authorization of the Financial Statements for Issue

The Management Board authorized the issue of the interim condensed consolidated financial statements on September 2, 2016.

Berlin, September 2, 2016

The Management Board

Oliver Samwer	Peter Kimpel	Alexander Kudlich

Rocket Internet SE

Audited Consolidated Financial Statements
as of and for the year ended December 31, 2015
(prepared in accordance with IFRS)

Rocket Internet SE, Berlin

Consolidated Statement of Comprehensive Income for the Period January 1 to December 31, 2015

Income Statement	Note	Jan 1 - Dec 31, 2015	Jan 1 - Dec 31, 2014
		in EUR thousand	
Revenue	6, 11	128,332	128,182
Changes in work in progress		0	194
Internally produced and capitalized assets	12	5,719	2,878
Other operating income	13	4,994	4,200
Result from deconsolidation of subsidiaries	14	167,025	452,601
Gain from distribution of non-cash assets to owners	15	0	60,594
Purchased merchandise and purchased services	16	−64,116	−69,788
Employee benefits expenses	17	−171,656	−141,870
Other operating expenses	18	−82,470	−87,669
Share of profit/loss of associates and joint ventures	19	−188,629	75,109
EBITDA		**−200,801**	**424,432**
Depreciation and amortization	20	−7,271	−2,653
Impairment of non-current assets	25	−18,050	0
EBIT		**−226,122**	**421,778**
Financial result		**29,717**	**12,031**
Finance costs	21	−65,357	−16,497
Finance income	21	95,074	28,528
Loss/profit before tax		**−196,406**	**433,809**
Income taxes	22	−1,395	−5,003
Loss/profit for the period		**−197,801**	**428,806**
Profit/loss attributable to non-controlling interests		−4,658	34,215
Loss/profit attributable to equity holders of the parent		**−202,459**	**463,022**
Earnings per share (in EUR)	23	**−1.24**	**3.24**

Statement of Comprehensive Income	Note	Jan 1 - Dec 31, 2015	Jan 1 - Dec 31, 2014
		in EUR thousand	
Loss/profit for the period		**−197,801**	**428,806**
Exchange differences on translation of foreign operations		−1,144	−455
Net gain on available-for-sale (AFS) financial assets		135,327	0
Deferred taxes on net gain on available-for-sale (AFS) financial assets		−209	0
Share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures		−98,988	80,238
Deferred taxes on share of the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures		1,443	−1,220
Other changes in OCI		0	−321
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**36,431**	**78,241**
Other comprehensive income for the period, net of tax		**36,431**	**78,241**
Total comprehensive loss/income for the period, net of tax		**−161,370**	**507,048**
Total comprehensive loss/income attributable to:			
Equity holders of the parent		−165,731	541,510
Non-controlling interests		4,361	−34,462

Rocket Internet SE, Berlin

Consolidated Balance Sheet as of December 31, 2015

Assets	Note	Dec 31, 2015	Dec 31, 2014
		in EUR thousand	
Non-current assets			
Property, plant and equipment	24	2,826	3,131
Intangible assets	25	129,127	9,024
Investments in associates and joint ventures	10	1,696,421	1,450,762
Non-current financial assets	26, 41	1,333,184	338,530
Other non-current non-financial assets	30	523	4,158
Income tax assets	22	167	112
Deferred tax assets	22	0	48
		3,162,248	**1,805,765**
Current assets			
Inventories	27	743	11,238
Trade receivables	28, 40, 41	10,085	20,748
Other current financial assets	29, 41	41,260	15,095
Other current non-financial assets	30	5,246	7,975
Income tax asset	22	482	991
Cash and cash equivalents	31, 40, 41	1,758,889	2,053,448
		1,816,705	**2,109,496**
Assets classified as held for sale	32	17,090	3,879
Total assets		**4,996,044**	**3,919,140**

Equity and liabilities	Note	Dec 31, 2015	Dec 31, 2014
		in EUR thousand	
Equity			
Subscribed capital	33	165,141	153,131
Capital reserves	33	3,105,477	2,482,643
Retained earnings	33, 34	883,912	1,014,782
Other components of equity	33	123,844	87,116
Equity attributable to equity holders of the parent		**4,278,373**	**3,737,672**
Non-controlling interests	33	73,735	34,184
Total equity		**4,352,108**	**3,771,857**
Non-current liabilities			
Non-current financial liabilities	35, 40, 41	526,898	5,315
Other non-current non-financial liabilities	38	398	498
Income tax liabilities	22	0	45
Deferred tax liabilities	22	8,169	3,600
		535,465	**9,457**
Current liabilities			
Trade payables	36, 40, 41	11,398	43,703
Other current financial liabilities	37, 40, 41	11,754	10,061
Other current non-financial liabilities	38	77,258	71,874
Income tax liabilities	22	512	12,188
		100,922	**137,827**
Liabilities directly associated with assets classified as held for sale	32	7,549	0
Total liabilities		**643,936**	**147,284**
Total equity and liabilities		**4,996,044**	**3,919,140**

Rocket Internet SE, Berlin

Consolidated Statement of Changes in Equity for the Period January 1 to December 31, 2015

	Note	Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
		Equity attributable to equity holders of the parent							
		in EUR thousand							
Jan 1, 2014		**110**	**490,707**	**−43**	**604,174**	**8,628**	**1,103,576**	**12,750**	**1,116,325**
Profit for the period					463,022		463,022	−34,215	428,806
Other comprehensive income for the period, net of tax	33					78,489	78,489	−247	78,241
Total comprehensive income for the period, net of tax					**463,022**	**78,489**	**541,510**	**−34,462**	**507,048**
Proceeds from the issuance of shares to the equity holders of the parent (cash contribution)		33,075	2,037,328				2,070,402		2,070,402
Transaction costs net of tax			−28,902				−28,902		−28,902
Issuance of shares to the equity holders of the parent (non-cash contribution)		1	395,511				395,511		395,511
Increase of subscribed capital from own resources		119,946	−119,946				0		0
Proceeds from non-controlling interests			65,901				65,901	35,670	101,571
Transfer and redemption of treasury shares				43	−43		0		0
Non-cash dividends to equity holders of the parent (advance dividends in kind)					−153,234		−153,234		−153,234
Dividends paid to equity holders of the parent (advance cash dividends)					−286,766		−286,766		−286,766
Changes in scope of consolidation and other changes in non-controlling interests			−87,473		80,245		−7,228	20,139	12,911
Withdrawals from capital reserves			−270,483		270,483		0		0
Purchase of non-controlling interest without change in control					−242		−242	17	−225
Equity-settled share-based payments (IFRS 2)	33, 39				37,179		37,179	70	37,249
Other changes					−35	0	−35		−35
		153,021	**1,991,936**	**43**	**410,608**	**78,489**	**2,634,097**	**21,435**	**2,655,531**
Dec 31, 2014		**153,131**	**2,482,643**	**0**	**1,014,782**	**87,116**	**3,737,672**	**34,184**	**3,771,857**

		Equity attributable to equity holders of the parent							
	Note	Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
					in EUR thousand				
Loss for the period					−202,459		−202,459	4,658	−197,801
Other comprehensive income for the period, net of tax	33					36,728	36,728	−297	36,431
Total comprehensive loss for the period, net of tax					**−202,459**	**36,728**	**−165,731**	**4,361**	**−161,370**
Proceeds from the issuance of shares to the equity holders of the parent (cash contribution)		12,010	576,491				588,501		588,501
Issuance of convertible bond	33, 35		37,659				37,659		37,659
Transaction costs net of tax			−3,881				−3,881		−3,881
Proceeds from non-controlling interests			35,395				35,395	22,635	58,030
Dividends paid to non-controlling interests								−8,033	−8,033
Changes in scope of consolidation and other changes in non-controlling interests			−22,830		25,304		2,474	22,490	24,964
Purchase of non-controlling interest without change in control					−9,080		−9,080	−481	−9,560
Equity-settled share-based payments (IFRS 2)	33, 39				55,318		55,318	−1,422	53,895
Other changes					46		46		46
		12,010	**622,833**	**0**	**−130,870**	**36,728**	**540,701**	**39,550**	**580,251**
Dec 31, 2015		**165,141**	**3,105,477**	**0**	**883,912**	**123,844**	**4,278,373**	**73,735**	**4,352,108**

Rocket Internet SE, Berlin

Consolidated Statement of Cash Flows for the Period from January 1 to December 31, 2015

		Note	Jan 1 - Dec 31, 2015	Jan 1 - Dec 31, 2014
			in Euro thousand	
1.	**Cash flows from operating activities**			
	Loss/profit before tax		− 196,406	433,809
	Adjustments to reconcile profit before tax to net cash flows			
+	Depreciation of property, plant and equipment	24	1,497	1,215
+	Amortisation of intangible assets	25	5,774	1,438
+	Impairment of goodwill	25	18,050	0
+/–	Equity settled share-based payment expense	39	57,952	51,295
+/–	Net foreign exchange differences		− 982	− 14
–/+	Gain / loss on disposal of intangible assets, property, plant and equipment		1,453	192
–/+	Gain / loss on disposal of non-current financial assets		3,685	− 1,189
–	Gain from distribution of non-cash assets to the equity holders of the parent	15	0	− 60,594
–/+	Gain / loss from deconsolidations	16	− 167,025	− 452,601
+/–	Other non-cash expenses / income		45	1,527
–/+	Fair value adjustments of equity instruments FVTPL	21	− 33,015	− 12,931
–	Finance income	21	− 2,309	− 633
+	Finance costs	21	12,188	1,763
–/+	Share of profit or loss of associated companies and joint ventures (equity method)	10	188,629	− 75,109
	Working capital adjustments:			
–/+	Increase / decrease in trade and other receivables and prepayments		7,438	− 17,796
–/+	Increase / decrease in inventories		10,472	113
+/–	Increase / decrease in trade and other payables		− 5,510	35,085
+	Dividends received		3,953	230
+	Interest received		1,499	143
–	Interest paid		− 1,164	− 352
–	Income tax paid		− 11,768	− 152
=	**Cash flows from operating activities**		**− 105,543**	**− 94,561**
2.	**Cash flows from investing activities**			
+	Proceeds from sale of property, plant and equipment		701	631
–	Purchase of property, plant and equipment	24	− 3,601	− 3,657
–	Cash paid for investments in intangible assets	25	− 7,977	− 4,858
+	Proceeds from disposal of non-consolidated equity investments		47,112	4,784
–	Cash outflows for acquisitions of non-consolidated equity investments		− 1,219,549	− 116,420
+	Proceeds from sale of subsidiaries		230	47
–	Acquisition of subsidiaries, net of cash acquired	9	− 119,731	− 1
+/–	Cash inflows/outflows from changes in scope of consolidation		2,667	− 37,376
+	Cash received in connection with short-term financial management of cash investments		27,478	260,712
–	Cash paid in connection with short-term financial management of cash investments		− 66,479	− 267,363
–	Cash paid in connection with the acquisition of financial assets and granting of long-term financial assets		− 8,692	0
=	**Cash flows from investing activities**		**− 1,347,841**	**− 163,503**

		Note	Jan 1 - Dec 31, 2015	Jan 1 - Dec 31, 2014
			in Euro thousand	
3.	**Cash flows from financing activities**			
+	Proceeds from issuance of shares to the equity holders of the parent	33	588,501	2,070,402
+	Proceeds from issuance of convertible bonds	35	550,000	0
+	Proceeds from non-controlling interests		58,030	101,571
+	Proceeds from redeemable preference shares		1,000	4,980
–	Purchase of non-controlling interest without change in control		− 9,560	− 225
–	Transaction costs on issue of shares		− 14,943	− 25,081
+	Proceeds from borrowings		4,546	284
–	Repayment of borrowings		− 4,333	− 835
–	Dividends paid to equity holders of the parent (advance dividends)	34	0	− 286,766
–	Dividends paid to non-controlling interests	34	− 8,033	0
=	**Cash flows from financing activities**		**1,165,208**	**1,864,330**
4.	**Cash and cash equivalents at the end of the period**			
	Net change in cash and cash equivalents (subtotal of 1 to 3)		− 288,176	1,606,267
	Net foreign exchange difference		3,327	− 36
	Cash and cash equivalents at the beginning of the period		2,053,448	447,218
	Cash and cash equivalents at the end of the period	**31**	**1,768,599**	**2,053,448**

Rocket Internet SE

Notes to the Consolidated Financial Statements 2015 (IFRS)

1 Corporate and Group Information

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). Rocket Internet SE registered office 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".

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 a 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.

Since October 2, 2014 the shares of the 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.

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

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"). Rocket targets mainly new, underserved or untapped markets, 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 the market in just a few months after the project was started. 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 realizing several new projects per year in its five target regions

- Europe (excluding Russia and CIS),
- Africa and Middle-East,
- Asia-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, 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).

1) Sectors do not represent reportable segments, which are shown in Note 6.

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.

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 expanding their geographic reach.

Services

Furthermore, Rocket Internet Group performs a range of IT, marketing and other services, in particular 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 network companies, 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.

Consumer Brands of the Company Network

The following graph shows a selection of the most important consumer brands used by network companies. See Note 6 for further information on the segments.

Information about the consolidated Group

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 service center 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, associated companies 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. As of December 31, 2015 Rocket Internet does not consolidate most of its significant network companies but accounts for them using the equity method. The most important associated companies and joint ventures in the Rocket Internet Group as of December 31, 2015 are:

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 the consolidated group comprised 181 (previous year 138) fully consolidated companies in addition to Rocket Internet SE.

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.

As a result of Rocket Internet being an operational Internet platform, the consolidated group is subject to changes in each reporting period. During the reporting period, the consolidated group has developed as follows:

	Germany	Other countries	Total
As of Jan 1, 2014	100	59	159
Acquisitions	9	1	10
Foundings	9	58	67
First-time consolidation	25	39	64
Transition to associated company/joint venture	−64	−76	−140
thereof subsidiaries of associated companies/joint ventures transitioned	*(−62)*	*(−68)*	*(−130)*
Disposals	−9	−7	−16
Mergers/accretions/other	−5	0	−5
As of Dec 31, 2014	65	74	139
Acquisitions	2	2	4
Foundings	4	53	57
Spin-offs	3	0	3
First-time consolidation	14	42	56
Transition to associated company/joint venture	−4	−2	−6
thereof subsidiaries of associated companies/joint ventures transitioned	*(−3)*	*(−1)*	*(−4)*
Disposals	−16	−21	−37
Deconsolidation of inactive subsidiaries and liquidations	−5	−29	−34
As of Dec 31, 2015	**63**	**119**	**182**

See Note 8 for information on the Group's principal subsidiaries and Note 9 for business combinations and acquisitions of subsidiaries. During the financial year 2015, Rocket Internet performed two significant business combinations.

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

Spin-offs occur when the Group receives an equity stake in a newly spun off subsidiary as a result of the division of an existing company (combined with creation of a new entity).

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

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

As of December 31, 2015 the Rocket Internet Group included 51 associated companies and joint ventures (previous year 53) which were accounted for using the at-equity method of accounting or accounted for at fair value through profit or loss (FVTPL). The portfolio of associated companies and joint ventures has developed as follows:

	Germany	Other countries	Total
As of Jan 1, 2014	26	2	28
Transition of formerly consolidated entities	2	8	10
Foundings	5	4	9
Acquisitions	9	6	15
Disposals and other changes	−5	−4	−9
As of Dec 31, 2014	37	16	53
Transition of formerly consolidated entities	1	1	2
Transition of former other investments	0	1	1
Transition to other investments	−3	0	−3
Acquisitions	1	3	4
Disposals and other changes	−7	1	−6
As of Dec 31, 2015	**29**	**22**	**51**
thereof at equity	*23*	*12*	*35*
thereof at FVTPL	*6*	*10*	*16*

See Note 10, 41 and 46 for information on the Group's investments in associates and joint ventures.

As a consequence of Rocket Internet's business model there are significant changes year over year in the scope of consolidated subsidiaries, associates and joint ventures. These changes limit to a certain extent the inter-period-comparability of the consolidated financial statements.

2 Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretation Committee (IFRS IC) approved by the IASB and in effect and adopted by the European Union (EU) at the reporting date. The requirements of Sec. 315a (1) HGB ("Handelsgesetzbuch": German Commercial Code) are also taken into account.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in the Note 3. These policies have been consistently applied to all the periods presented. In the financial year 2015, the Group also adopted the new and amended IFRS and IFRS interpretations which have already been endorsed by the EU and which are effective for financial years beginning on January 1, 2015:

- Annual Improvements to IFRS (Cycle 2011-2013) which affect IFRS 1, IFRS 3, IFRS 13 and IAS 40 and
- IFRIC 21 Levies.

These amendments do not have any significant effect on the Group's consolidated financial statements.

Standards issued but not yet effective up to the date of issuance of the Group's financial statements are set out in the Note 5.

General Information

The consolidated financial statements have been prepared on a historical cost basis, except for investments in available-for-sale financial assets, financial assets and associates under fair value option, contingent consideration and non-cash distribution liability that have been measured at fair value.

The profit and loss statement is prepared using the nature of expense method.

Assets and liabilities are presented using the current and non-current classification.

In the Statement of Cash Flows the operating cash flows are derived using the indirect method, whereas the investing and financing cash flows are determined using the direct method.

The consolidated financial statements provide comparative information in respect of the previous period.

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

The Company's financial year is the calendar year.

3 Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of December 31, 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the respective network company and has the ability to affect those returns through its power over the network company.

Specifically, the Group controls a network company if and only if the Group has:

- Power over the network company (i.e. existing rights that give it the current ability to direct the relevant activities of the network company),
- Exposure, or rights, to variable returns from its involvement with the network company, and
- The ability to use its power over the network company to affect its returns.

When the Group has less than the majority of the voting or similar rights of a network company, the Group considers all relevant facts and circumstances in assessing whether it has power over a network company, including:

- The contractual agreements with the other shareholders with voting rights of the network company,
- Rights arising from other contractual agreements, and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls a network company if facts and circumstances indicate that there are changes to one or more of the three criteria of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated balance sheet and the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent Company and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated fully on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, the following steps apply:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- derecognizes the carrying amount of any non-controlling interests,
- derecognizes the cumulative translation differences recorded in equity,
- recognizes the fair value of the consideration received,
- recognizes the fair value of any investment retained,
- recognizes any surplus or deficit in profit or loss and
- reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill, bargain purchase") is recognized in profit or loss, after management re-assesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews appropriateness of their measurement.

The cost of acquisition for the acquiree is measured at the fair value of the consideration transferred, equity instruments issued and liabilities incurred to former owners, including fair value of assets or liabilities from contingent consideration arrangements but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the network company, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for

a) using the equity method or

b) at fair value through profit or loss (FVTPL).

Investment in associates and joint ventures – Equity method

The equity method is applied for network companies with operations that are incubated or actively developed by Rocket Internet. The network companies are often former subsidiaries of the Group, where Rocket Internet has the power to participate in the financial and operating policy decisions. In such network companies Rocket Internet is mostly intensely involved in the strategic leadership and implementation of the business plans.

An investment is accounted for using the equity method from the date it becomes an associate or joint venture. Under the equity method, the investment in an associate or joint venture is initially recognized at cost (including transaction costs and the initial fair value of any contingent consideration agreement). The concepts underlying the procedures used in accounting for the acquisition of a subsidiary are also adopted for the acquisition of an associate and joint venture (including situations where the equity method is to be applied following a loss of control). Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

In case the Group acquires additional interests in an associate or joint ventures and the equity method is still applied (step acquisitions) the additional interest is initially recognized at cost (including transaction costs and the initial fair value of any contingent consideration agreement). The concepts underlying the procedures used in accounting for the acquisition of a subsidiary are also adopted for the acquisition of the additional interest in the associate and joint venture. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date.

The statement of comprehensive income reflects the Group's share of the net income of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate.

The proportionate share of expenses resulting from equity-settled share-based payments of associates and joint ventures are offset by the corresponding increase in equity of associates and joint ventures. Therefore the equity-settled share-based payments at the level of associates and joint ventures do not have an impact on both, the subsequent measurement of associates and joint ventures in the Group's balance sheet as well as on the share of profit/loss of associates and joint ventures recognized in the statement of comprehensive income.

Rocket Internet accounts for a dilution of its investment caused by a share issuance by an equity method investee to a third party as if the Group had sold a proportionate share of its investment (deemed disposal). Besides deemed disposals, the share of profit/loss of associates and joint ventures also include gains or losses from regular disposals of Rocket Internet's direct or indirect interests in associated companies and joint ventures.

The aggregate of the Group's share of profit or loss of an associate or joint venture is shown on the statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture including adjustments made by the Group under the equity method, such as adjustments to the fair value that occurred at the time of acquisition or for adjustments to group-wide accounting policies.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'Share of profit/loss of associates and joint ventures' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The shareholders' agreements for associates and joint ventures to which Rocket Internet is a party are important instruments for steering the economic rights among the various investors in these entities and are designed to protect shareholders and to facilitate corporate and transaction issues. In the event of a network company's IPO the shareholders' agreements shall, as from the commencement of trading of the network company's shares on a stock exchange, cease to have effect. The shareholders' agreements include certain waterfall provisions, which stipulate the order for distributing proceeds from a transfer of shares that result in, or is deemed to be, a change of control or in case of liquidation to the shareholders ("liquidation preferences"). Typically, if triggered, the liquidation preference entitles investors who invested in later financing rounds, which generally means at a higher valuation, to recoup their investment before other shareholders are paid out. Investors who invested in the early stage of a company are usually paid out last. As Rocket Internet is typically among the first investors in a network company, Rocket Internet will generally be able to recoup its investments if the transfer or liquidation proceeds equal or exceed the sum of the investments made by all investors in the company. Any remainder over the sum of the investments of all investors is shared among all shareholders of the company pro rata to their shareholdings or – in the case of a share transfer – to the shares transferred by them. Any amount received by an investor prior to the pro rata allocation is typically deducted from such investor's stake in the pro rata allocation. When valuing the shares in associates and joint ventures, the Group carefully assesses the accounting implications of the regulations in the shareholders' agreements. The valuations consider the preferential rights the owned shares have in case of liquidation or sale of the entire network company.

Investment in associates and joint ventures – At fair value through profit or loss

This method is applied for investees where Rocket Internet is acting as an investor within the meaning of IAS 28.18. Please, refer to the accounting policies for financial assets at fair value through profit or loss.

Revenue recognition

The Group generates revenues primarily from the sale of goods (online and mobile trade / eCommerce), from rendering intermediation services (specialized online and mobile transaction platforms for goods and services / marketplaces) and from rendering other services including consulting services provided for network companies and other customers.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon delivery of the goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

In case the customer has the right to return goods, revenues are only recognized before the return period expires, if reliable estimates about the expected returns can be derived from past experience taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The expected return of goods are presented on a gross basis in the profit and loss statement. Rocket Internet reduces revenue by the full amount of sales that it estimates will be returned. The reduction of goods that is expensed in full upon shipping is then corrected by the estimated amount of returns. Rocket Internet also shows the gross figure for the return of goods in the balance sheet. The right to recover the possession of goods from expected sales returns is recognized under other non-financial assets. The amount of the assets corresponds to the cost of the goods delivered for which a return is expected, taking into account the costs incurred for processing the returns and the losses resulting from disposing of these goods. Trade receivables that have not yet been paid and that have underlying transactions that are not expected to be closed due to the goods being returned are derecognized. For customer receivables already paid and for which returns are expected in the future, Rocket Internet recognizes a refund obligation vis-à-vis the customer within other current financial liabilities.

The Group evaluates whether it is appropriate to record the gross amount of product sales and related costs. When the Group is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, revenue is recorded at the gross sales price. The Group records the net amounts as commissions earned if the Group is not primarily obligated and does not have latitude in establishing prices. Such amounts earned are determined using a fixed percentage, a fixed-payment schedule, or a combination of the two.

Revenue from commissions is earned and recognized at the point of order fulfilment to the customers. This is the point at which an intermediation service is successfully processed and the Group has no remaining transactional obligations.

Revenue from consulting services is recognized by reference to the stage of completion. Stage of completion is measured by reference to labor hours incurred until the reporting date as a percentage of the total estimated labor hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Transactions are settled by prepayments, credit card, invoicing, PayPal and further country specific payment methods.

Dividends and Interest Income

Dividends are recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

For all financial instruments measured at amortized cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

Sales tax (VAT and similar taxes)

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable, or
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Foreign currency transactions and translation

The financial statements of each of the Group entities are prepared using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group financial statements are presented in Euro (EUR), which is also the parent company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the date of the respective transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and short-term deposits are presented in the income statement within finance costs, net. All other foreign exchange gains and losses are presented in the income statement within other operating income or expenses.

The balance sheets and results of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognized in other comprehensive income.

Equity-settled share-based payments

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

- share options in the Company,
- ordinary shares in subsidiaries ("share awards") or
- share options in subsidiaries.

The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award made. For share awards, the Group analyses whether the price paid by a participant, if any, is in line with the estimated market price of the underlying shares at the grant date. If a positive difference exists between (i) the estimated market value of the shares and (ii) the purchase price; this results in a fair value to be reported and recognized as a share-based payment expense. For share options granted, the grant date fair value is determined using the Black Scholes option valuation formula.

The fair value determined at the grant date is expensed on a straight-line basis over the respective vesting period, based on the Group's estimate of the number of shares that will eventually vest, with a corresponding credit to equity.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The vesting period usually starts with the grant date of the award.

However, the recognition of expense may start at an earlier service commencement date when awards need to be formally approved after the employee has started providing services.

The Group recognizes compensation expense from the beginning of the service period, even when the grant date is subsequent to the service commencement date. During the period between service commencement date and grant date, the share-based payment expense recognized is based on the estimated grant date fair value of the award. Once the grant date has been established, the estimated fair value is revised so that the expense is recognized prospectively based on the actual grant date fair value of the equity instruments granted.

For awards with graded-vesting features, each instalment of the award is treated as a separate grant. This means that each instalment is separately recorded as an expense over the related vesting period. Some instalments vest only upon the occurrence of a specified exit event (e.g. IPO) of the subsidiary or upon the employee still being employed with or providing services to a group entity 12 months after such an event. These instalments are expensed over the expected time to such a vesting event. Therefore, share-based payment expenses would be reversed if no such event occurs by the time the awards elapse. Non-market performance and service conditions are included in the assumptions about the number of options and shares that are expected to vest.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the terms of equity-settled awards are modified, as a minimum, the expenses recognized are measured at the grant date fair value, to the extent the non-market vesting conditions attached to the awards are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The expenses related to equity-settled share-based compensation arrangements are recognized as employee benefit expenses.

Application of the equity method of accounting – Equity-settled share-based payments at the level of associates/joint ventures

The expenses resulting from equity-settled share-based payments of associates and joint ventures are offset by the corresponding increase in equity of associates and joint ventures. As a result the total equity of the respective network company remains unchanged.

As there is no change in the Group's share in the equity of the equity method investee, the proportionate share of expenses resulting from the equity-settled share-based payments at the level of associates and joint ventures do not have an impact on either, the subsequent measurement of associates and joint ventures in the Group's balance sheet or on the share of profit/loss of associates and joint ventures recognized in the Group's statement of comprehensive income. As presently there is no clear guidance from the IASB on this topic, the accounting policy applied currently by Rocket Internet may be subject to change in the future.

Share-Based Compensation – Cash settled

The Group recognizes a liability for the services received from its employees in cash-settled share-based payment transactions. The Group re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognized in profit or loss for the period as employee benefit expenses. The liability is recognized over the vesting period (if applicable).

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where required.

Costs of minor repairs and maintenance are expensed when incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized in profit or loss for the year within other operating income or expenses.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives between 1 to 15 years. Leasehold improvements are depreciated over their estimated useful lives or the shorter lease term.

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Operating leases

Where the Company is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Company, the total lease payments are charged to profit or loss for the year on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the Company has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Goodwill

Goodwill is initially measured at acquisition cost. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or groups of units represent the lowest level at which the Company monitors goodwill and are not larger than an operating segment.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. The Company tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. The carrying value of goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Gains or losses on the disposal of an operation within a cash generating unit to which goodwill has been allocated, include the carrying amount of goodwill associated with the disposed operation.

Other intangible assets

The Group's intangible assets have definite useful lives and primarily include trademarks, customer bases, acquired computer software and other licenses, and internally developed software.

Acquired computer software and other licenses are capitalized on the basis of the costs incurred to acquire and bring them to use.

Costs associated with maintaining computer software programs are recognized as an expense as incurred.

Costs that are directly attributable to the design, development and testing of identifiable and unique software products controlled by the Company are recognized as internally developed software when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product mainly include the software development employee cost. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in subsequent periods. Development costs which do not meet the criteria mentioned above are immediately expensed. Development costs that have been expensed cannot be capitalized as intangible assets in subsequent periods.

Intangible assets are amortized using the straight-line method over their useful lives:

	Useful lives in years
Trademarks	11 -15 years
Customer base	9 - 13 years
Internally developed software	3 - 5 years
Acquired other intangible assets	1 - 15 years

Impairment of property, plant and equipment and intangible assets

Whenever events or changes in market or business conditions indicate a risk of impairment of property, plant and equipment or intangible assets or a cash generating unit ("CGU"), if applicable, management estimates the recoverable amount, which is determined as the higher of an asset or CGU's fair value less costs to sell and its value in use. A CGU is defined as the lowest level of identifiable cash inflows. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss for the year.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventory is determined based on the weighted average cost. The cost of inventory includes the costs of purchase or production and costs incurred to bring the inventories to their present location and condition such as shipping and handling.

Write-down expenses due to obsolete and slow moving inventory are deducted from the carrying amount of the inventories.

Cash and cash equivalents

Cash and cash equivalents include cash at hand, deposits held on demand with banks, and other short-term highly liquid investments with original maturities of three months or less, for which the risk of changes in value is considered to be insignificant.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement of financial assets

A financial asset is recognized when the Group becomes a party to the contractual provisions of the instrument. The Group initially recognizes loans and receivables on the date on which they originated. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Financial assets held by the Group are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. Transaction costs are recognized as well, except in the case of financial assets at fair value through profit or loss. The Group did not make use of the held-to-maturity category, during the years ended December 31, 2015 and 2014.

Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on its category:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Available-for-sale financial assets (AFS financial assets)

Financial assets at fair value through profit or loss

The fair value through profit or loss category comprises the following subcategories: financial assets that are initially designated into this category ("Fair value option"), contingent consideration of an acquirer in a business combination, and held-for-trading financial assets.

Rocket's financial assets in this category include equity investments where Rocket is acting as an investor within the meaning of IAS 28.18 and elects to measure these investments at fair value through profit or loss or which Rocket designates as financial assets at fair value through profit or loss because the investments are managed and measured on the basis of fair values in accordance with risk management and investment strategies. In addition, Rocket designated employee loans into this category, for which settlement amounts could be partly influenced in some circumstances by the performance of shares in certain associated companies and thus include embedded derivatives. Financial assets at fair value through profit or loss are recognized in the balance sheet at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

The group does not have any held-for-trading financial assets.

See Note 41 for information on the Group's equity investments at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, such financial assets are measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. Trade receivables are initially recognized at fair value which primarily represents the original invoice amount. The losses arising from impairment are recognized in the statement of profit or loss in finance costs for loans and in other operating expenses for receivables.

Loans and receivables are included in current assets, except for those having maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise loans, trade receivables and other financial assets.

When there is objective evidence that the Group may not be able to collect the trade receivables, the loss is recognized in other operating expenses and reflected in the allowances for doubtful accounts. Balances are written off when recoverability is assessed as being remote.

AFS financial assets

AFS financial assets of the Group comprise equity investments that are not designated at fair value through profit or loss.

After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses recognized in OCI until the investment is derecognized or impaired, at which time the cumulative gain or loss is recognized in finance income/costs.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If, in a subsequent year, the amount of the estimated impairment loss of financial assets recognized at amortized costs increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered due to an event after the impairment was recognized, the recovery is credited in the statement of profit or loss.

In the case of equity investments classified as AFS, objective evidence of impairment would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss – is removed from OCI and recognized in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized in OCI.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Financial liabilities

Initial recognition and measurement of financial liabilities

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument and classified, at initial recognition, as financial liabilities at fair value through profit or loss or other financial liabilities.

All financial liabilities are recognized initially at fair value and, in the case of other financial liabilities, net of directly attributable transaction costs.

The Group's financial liabilities include convertible bonds, trade and other payables, loans and borrowings including bank overdrafts, refund liabilities from sales with a right of return, contingent consideration of an acquirer in a business combination, and liabilities from mandatorily redeemable preference shares issued by a consolidated subsidiary.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, contingent considerations of an acquirer in a business combination, and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss of the Group contain only contingent considerations in a business combination.

The Group's policy does not permit any trading with financial instruments. Equally, no financial derivatives are utilized.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Other financial liabilities

This is the category of financial liabilities most relevant to the Group. It includes convertible bonds, trade and other payables, loans and borrowings including bank overdrafts, refund liabilities from sales with a right of return, and liabilities from mandatorily redeemable preference shares issued by a consolidated subsidiary.

After initial recognition, other financial liabilities are measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as the result of the revision of estimated cash flows and through the EIR amortization process.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Loans and borrowings are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Other financial liabilities also contain liabilities from mandatorily redeemable preference shares issued by one of the consolidated subsidiaries to a third party investor (minority shareholder). The mandatorily redeemable preference shares take the legal form of equity but are liabilities pursuant to IAS 32.18(a) requirements.

Convertible bonds

Convertible bonds issued by the Group are separated into liability and equity components based on the terms of the contract. On issuance of the convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortized cost (net of the relevant portion of the transaction costs) until it is expired on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognized and included in equity. The relevant portion of the transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option recognized in equity is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new equity instruments are shown, net of taxes, in equity as a deduction from the proceeds.

Any excess of the fair value of consideration received over the par value of shares issued is recorded as share premium in the capital reserves.

Dividends

Cash or non-cash distributions to equity holders of the parent are recorded as a liability and deducted from equity in the period in which they are declared and approved by the shareholders and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognized directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the statement of profit or loss.

Provisions

Provisions are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Income taxes

Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge or credit comprises current tax and deferred tax and is recognized in profit or loss for the year, except if it is recognized in other comprehensive income or directly in equity because it relates to transactions that are also recognized, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorized prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, in accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affected neither book nor taxable profit.

Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilized.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilized.

The Company controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal ("outside basis differences"). Deferred tax liabilities are not recognized on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

Earnings per share

The Company presents basic and diluted earnings (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding to reflect the effects of all potential dilutive ordinary shares, which comprise convertible and redeemable preference shares and share options granted to employees. For more information see Note 23.

Segment reporting

In accordance with IFRS 8 – Operating Segments, segment reporting is constructed on the basis of internal management data used for performance analysis of businesses and for the allocation of resources. An operating segment is a distinct component of the group which is engaged in the supply of distinct products and services and which is exposed to risks and returns different from the risks and the returns of other operating segments. See Note 6 for further information.

4 Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market fluctuations or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

Judgements that have the most significant effect on the amounts recognized in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year have been discussed below and are also described in the individual notes of the related financial statement line items.

Significant Accounting Judgement

Classification of shares in Delivery Hero Holding GmbH as AFS financial assets

During the 1st half of 2015, the Group successively purchased 157,679 shares in Delivery Hero Holding GmbH (DHH) which represented approximately 44% (prior to dilutive effects of convertible instruments issued by DHH) of the total outstanding share capital of DHH as of June 30, 2015. Due to the capital increases performed by DHH after June 30, 2015 Rocket Internet's share decreased to 40% as of December 31, 2015 (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 supervisory board (as specified in the DHH's articles of incorporation) which precludes Rocket Internet from participating in the 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 during the financial year 2015, the Group classified its equity investment in DHH as available-for-sale financial assets. This category includes investments intended to be held for the long-term. As of December 31, 2015 the carrying amount of the shares in DHH amounted to EUR 978,944 thousand. During the financial year 2015, the Group recognized an unrealized gain for its DHH investment in OCI. For more information reference is made to Note 41.

Shareholders' agreements – Assessment of control, joint control or significant influence over network companies

The shareholders' agreements to which Rocket Internet is a party are important instruments for steering the corporate governance of network companies. The shareholders' agreements typically specify that a number of important decisions need to be resolved by the shareholders. These important decisions are referred to as reserved matters. The shareholders' agreements often require a qualified majority of investors and, in certain cases, an unanimous vote of the investors for decisions regarding reserved matters. Sometimes the decision on reserved matters is conferred on an advisory board. This means that the Company typically cannot make or block decisions on reserved matters alone, but needs the support of one or more other investors. The reserved matters include fundamental decisions about the relevant entities, its operative and strategic plans and important transactions that exceed certain thresholds.

Based on the regulations in the shareholders' agreements the Company assesses whether

- it controls a network company particularly when it is exposed, or has rights, to variable returns from its involvement with the network company and has the ability to affect those returns through its power over the network company,
- it is a party of an arrangement in which two or more parties have joint control or
- it has the power to participate in the financial and operating policy decisions of the network company but is not in control or joint control of those policies (significant influence).

Whether or not the Group controls a network company depends on an evaluation of a number of factors, including, among others, representation on its board of directors, voting rights and other rights of other investors, including their participation in significant decisions made in the ordinary course of business (e.g. approval of the annual operating budget), as well as the Group's ownership level of the outstanding voting rights of the subsidiary. We refer to Note 8.

Deemed disposals of subsidiaries – Fair value measurement of interest retained

A deemed disposal occurs where the proportionate interest of a parent company in a subsidiary is reduced other than by an actual disposal, for example, by the issuance of shares to a third party investor by the subsidiary. When the Group no longer has control, the remaining interest is measured at fair value as at the date the control was lost. When establishing the fair value, the group takes into account all the facts and circumstances surrounding the transactions such as timing, transaction size, transaction frequency, and motivations of the investors. The Group considers whether such a transaction has been made at arm's length. For new share issues, the Group also considers whether, in the event of liquidation or sale, the newly issued shares have preferences to the investee's assets over earlier issued shares. We refer to Note 14.

Designation of equity instruments as financial assets at fair value through profit and loss

The Group has designated certain associated companies and other equity investments that are not incubated or actively developed by Rocket Internet as financial assets at fair value through profit or loss. Rocket Internet 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 Internet usually does not perform significant commercial and technical consulting services for these companies. In particular, this category includes the portfolio of investments in several internet companies 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 Fund for shares in Rocket Internet (the so-called "GFC Investments"). In 2015 further GFC investments were made, such as Craftsvilla, Movinga, Naturebox, Dealerdirect. Other equity investments with ownership percentages below 20% are also included in this category. Moreover, the Group designated the remaining stake in Zalando SE as financial assets at fair value through profit and loss. In a series of transactions, Rocket Internet spun off nearly its entire stake in Zalando SE in 2013. Rocket Internet measures these shares on the basis of fair values. See Note 41 for information on the Group's equity investments measured at fair value through profit and loss.

Share-based compensation

The Group has analyzed all the terms and conditions of its share-based payment awards to determine the appropriate classification of the awards recognized under IFRS 2, Share-based Payment. Some of the awards in consolidated subsidiaries include put rights of employees and others providing similar services that may only be exercised at a specified date more than 10 years from the reporting date, at a price less than the market value of the interests held by employees. Other terms and conditions of these awards allow a subsidiary to settle the awards in equity or to avoid any cash payment. Based on this analysis, the Group assessed it has two settlement scenarios. One scenario would be considered cash-settled in its entirety, whereas the other scenario would be considered equity-settled in its entirety. Given the exit strategies of the Group that would allow settlement in equity, the Group concluded that it has no present obligation to settle in cash and therefore recognized those share-based payment awards as equity-settled plans. This management judgment is re-assessed at each reporting date. For more information see Note 39.

Critical Accounting Estimates and Assumptions

Measuring the fair value of financial assets

When the fair values of financial assets recognized in the balance sheet (especially of not listed equity instruments) cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets as far as possible, but where this is not feasible; a degree of judgement is required in establishing fair values. Judgements include considerations of the input used. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.

Deferred income taxes

We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carry forward periods available to us for tax reporting purposes, as well as other relevant factors. Due to inherent complexities arising from the nature of our businesses, future changes in income tax laws or variances between our actual and anticipated operating results, we assess the likelihood of future realization of our deferred tax assets based on our judgments and estimates. Therefore, actual income taxes could materially vary from these judgments and estimates. For further information we refer to Note 22.

Share-based compensation – Equity-settled transactions at parent company level

The Group measures the costs of granting share options of the company to employees by using their fair value at the moment they were granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model (Black-Scholes-option pricing model), which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including especially the expected volatility calculated using data of peer groups and furthermore the anticipated option term, dividend yield and risk-free interest rate. The assumptions and models used for estimating fair value are disclosed in Note 39.

Share-based compensation – Equity-settled transactions at subsidiary level

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. This grant date fair value remains unchanged throughout the life of the award. As the consolidated subsidiaries of the Group are unlisted, estimating fair value for share-based payment transactions (ordinary shares and options) requires the use of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

In determining the fair values of a consolidated subsidiary's ordinary shares, as of each award grant date, three generally accepted approaches were considered: income approach, market approach and cost approach.

We have employed the "prior sale of company stock" method, a form of the market approach, to estimate the aggregate enterprise value at the level of some intermediate holding subsidiaries of the Company. The prior sale of company stock method considers any prior arm's length sales of the group subsidiary's equity securities. Considerations factored into the analysis include: the type and amount of equity sold, the estimated volatility, the estimated time to liquidity, the relationship of the parties involved, the risk-free rate, the timing compared to the ordinary shares valuation date, and the financial condition and structure of the company at the time of the sale. As such, we have benchmarked the value per share to the external transactions of subsidiary shares and external financing rounds. Throughout 2014 and 2015, the respective subsidiaries held a number of financing rounds which resulted in the issuance of new shares. The new shares were transacted with numerous existing and new investors, and therefore we consider the pricing a strong indication of fair value.

We have applied the income approach to estimate the enterprise value of subsidiaries of an intermediate holding subsidiary. The income approach is a technique by which fair value is estimated based on cash flows expected to be generated in the future. The principle behind this approach is that the value of the subsidiary is equal to its earnings potential. The future cash flows are discounted using a weighted average cost of capital that takes into consideration the stage of development of the business and the industry and geographies in which it operate. The total sum of all equity values based on discounted cash flows of the operating companies were reconciled to the total equity value of the Holding Company on the basis of financing rounds (i.e. "prior sale of company stock" method).

Given that there are multiple classes of equity at the subsidiary level, we employed the hybrid method in order to measure these different categories. The Hybrid method is a hybrid between the probability-weighted expected return method ("PWERM") and the Option Pricing Method ("OPM"), which estimates the probability weighted value across certain exit scenarios, but uses the OPM to estimate the remaining unknown potential exit scenarios.

A discount for lack of marketability ("DLOM") was applied, corresponding to the time to exit under the various scenarios, to reflect the increased risk arising from the inability to readily sell the shares. When applying the DLOM, the Finnerty option pricing model was used. Under this method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as the basis to determine the DLOM.

In addition, we are required to estimate share-based compensation expense net of estimated forfeitures. In determining the estimated forfeiture rates for share-based awards, we periodically conduct an assessment of the actual number of equity awards that have been forfeited to date as well as those expected to be forfeited in the future. We consider many factors when estimating expected forfeitures, including the type of award, the employee class and historical experience. If our actual forfeiture rate is materially different from our estimate, the share-based compensation expense could be significantly different from what we have recorded in the current period.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 39.

5 New Accounting Pronouncements

New standards and amendments to existing standards issued but not yet effective up to the date of authorization for issue of the Group's financial statements which are relevant for the Group are listed below. The Group intends to adopt those standards when they become effective within the EU.

IFRS 9 Financial Instruments: Classification and Measurement (issued on July 24, 2014). IFRS 9 will replace IAS 39 "Financial Instruments: Classification and Measurement". IFRS 9 provides new guidance on the classification and measurement of financial assets and liabilities, introduces a new impairment model for financial assets as well as new rules on hedge accounting. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The impact of the standard is currently being analyzed. The Company intends to implement IFRS 9 starting January 1, 2018.

Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (issued on May 6, 2014). The amendments add new guidance on the accounting for the acquisition of an interest in a joint operation that constitutes a business. The amendments are effective for annual reporting periods beginning on or after January 1, 2016.

IFRS 14 Regulatory Deferral Accounts (issued on January 30, 2014). This standard permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements and is therefore not relevant for Rocket Internet.

IFRS 15 Revenues from Contracts with Customers (issued on May 28, 2014) including amendments to IFRS 15 (issued on September 11, 2015). IFRS 15 establishes a comprehensive model for determining whether, how much and when revenue is recognized. It supersedes current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The Group has started to analyze the impacts of this new standard. The Company plans to apply this standard in periods starting January 1, 2018, insofar an endorsement from the EU will have been passed in time.

IFRS 16 Leases (published on January 13, 2016). In this accounting standard the lease accounting is being revised. This standard obliges lessees to disclose essentially all leases in the balance sheet. No difference is made in future between an asset which is leased and one which is acquired on credit terms. The new regulation will lead to an increase in property, plant and equipment in the consolidated balance sheet (for right of use), and at the same time an increase in financial liabilities (due to the payment obligation). As a result, every leasing or rental arrangement is disclosed in the balance sheet. In the income statement, this leads to increased depreciation and interest expense. However, EBITDA will not improve proportionately to the increase in financial liabilities. As a consequence, the ratio of net financial liabilities to adjusted EBITDA (relative indebtedness) will deteriorate although there has been no economic change. Leasing or rental arrangements with terms up to twelve months and low-value contracts are exempted from the recognition obligation. In the field of operating leases, Rocket Internet is predominantly a lessee at present. The effects of IFRS 16 on the consolidated financial statements of Rocket Internet are therefore likely to be mainly in the amount of operating lease obligations and the resulting depreciation and interest effects (see Note 43). IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019.

Amendments to IAS 1: Disclosure Initiative (issued on December 18, 2014). These narrow-focus amendments clarify IAS 1 requirements relating to materiality, order of the notes, subtotals, accounting policies and disaggregation. The amendments are effective for annual reporting periods beginning on or after January 1, 2016.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on September 11, 2014). These narrow-scope amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. In December 2015, the IASB decided to postpone the effective date of these amendments indefinitely. As a consequence EU postponed its endorsement.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization (issued on May 12, 2014). These limited-scope amendments clarify the use of a revenue-based depreciation or amortization method. The amendments are effective for annual reporting periods beginning on or after January 1, 2016.

Amendments to IAS 27: Equity Method in Separate Financial Statements (issued on August 12, 2014). These narrow-scope amendments restore the option to use the equity method of accounting in separate financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2016.

Annual Improvements to IFRSs (2012–2014 Cycle) (issued on September 25, 2014). The IASB published amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34 in the context of its annual improvements process. The amendments are effective for annual reporting periods beginning on or after January 1, 2016.

Annual Improvements to IFRSs (2010–2012 Cycle) (issued on December 12, 2013). In the context of its annual improvements process, the IASB published amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 7, IAS 16/IAS 38 and IAS 24. The amendments are effective for annual reporting periods beginning on or after February 1, 2015.

Amendments to IAS 19: Defined Benefit Plans: Employee Contributions (issued on November, 21 2013). Rocket Internet has currently no defined benefit plans. The adjustment therefore is not relevant for Rocket Internet.

Unless otherwise described above, the new standards and interpretations issued by the IASB and to be adopted for the first time in the future are not expected to significantly affect the Group's financial statements.

6 Segment Information

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

An operating segment is represented by each network company. In case such network company represents an intermediate holding company for a single or multiple internet business models, each internet business model represents an operating segment.

The amounts provided to the CODM are primarily measured in a manner consistent with that of the financial statements. The CODM assesses the performance of the operating segments based on a number of financial metrics including revenue, EBITDA, and cash and cash equivalents. One-off effects from legal and capital reorganization at the level of intermediate holding companies are not reflected on the operating network company level and therefore not included in the segment information provided below.

Sales between segments are carried out at arm's length.

The following five aggregated reportable segments[3] could be identified: Home & Living, Fashion, General Merchandise, Food 1 and Food 2. The aggregated reportable segments reflect the most mature business activities of Rocket. Other network companies do not meet the thresholds for reportable segments. Other investments where Rocket cannot exercise significant influence neither qualify as reportable nor as operating segments.

Fashion comprises the business activities of the Global Fashion Group, which operates retail and wholesale fashion businesses and offers, among other products, clothing, shoes and accessories.

Compared to the previous year consolidated financial statements the reportable segments Fashion 1 (comprising Dafiti (Latin America), Lamoda (Russia/CIS), Namshi (Middle East) and Zalora (Asia Pacific) and Fashion 2 (comprising Jabong (India)) are combined to a single Fashion segment as a result of the establishment of the Global Fashion Group as a discrete operating segment in December 2014. The new segment structure is retrospectively applied to the comparative period.[4]

Global Fashion revenue for the comparative information as presented in Note 10 reflects all five fashion ventures only between the establishment of Global Fashion Group in December 2014 and period end. Furthermore, 2014 EBITDA as presented in Note 10 of Global Fashion, is affected by gains from the disposition of its investments as the result of the establishment of the Global Fashion Group. Hence, Global Fashion financial information (see Note 10) is not comparable to the Fashion segment information that includes all five fashion ventures for a 12 months period.

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

3 Effective from the segment presentation as of December 31, 2015 the reference to eCommerce or Marketplace has been omitted from the description of the five reportable segments. This is due to the fact that eCommerce business models increasingly engage in marketplace business models and vice versa. The reportable segments of the comparative segment information is accordingly adjusted.

4 The Fashion segment for 2014 represents aggregated revenue and EBITDA of Dafiti, Jabong, Lamoda, Namshi and Zalora.

The segment **General Merchandise** includes Linio, Jumia and Lazada. Linio is a multi-category portal with its own delivery services in Latin America, offering a large product assortment including electronics, home & living, fashion, sports, kids' merchandise, health & beauty and media. Jumia is an online shopping portal in Africa. The focus of the company lies on fashion and electronics, which are offered through two operating models, the business-to-consumer eCommerce and the online marketplace that provides a sales platform for retailers. Lazada operates an online shopping and selling destination for assorted merchandise in Southeast Asia.

Food 1 includes HelloFresh. HelloFresh operates a subscription-based business model and delivers healthy recipes with the necessary pre-portioned ingredients to customers in Europe, North America and Asia-Pacific.

The segment **Food 2** includes the business of foodpanda, which operates the leading emerging economies online marketplace for food delivery and takeaway. Rocket Internet's available-for-sale investment in DHH is not considered as an operating segment due to Rocket Internet's restriction to exercise significant influence, i.e. to affect the resource allocation, as well as due to its inability to obtain adequate financial information (see also Significant Accounting Judgements in Note 4). Accordingly, for segment presentation purposes DHH is neither part of Food 1 nor Food 2.

The segment **Other** includes the business activities of Rocket Internet SE (headquarters), the joint ventures Asia Internet Holding and Middle East Internet Holding, as well as advanced businesses such as Lendico, Paymill, Helpling, Traveloka, Travelbird, Wimdu, CupoNation, Zanui, Kanui and Tricae, which are not separately reportable. Rocket Internet SE renders a range of IT, marketing and other services, in particular commercial and technical consulting services to its network companies and holds cash and cash equivalents for new investments and funding purposes. In 2015, Rocket Internet SE generated service revenue from not consolidated companies of EUR 27,870 thousand (previous period EUR 22,968 thousand) which is included in the revenue of the segment "Other". Cash and cash equivalents held by Rocket Internet SE as of December 31, 2015 amount to EUR 1,720,010 thousand (previous period EUR 1,997,682 thousand).

Despite not having control of some of its network companies throughout 2015 and 2014, the chief operating decision maker of the group reviewed the operating results of the respective operating segments on a 100% basis (i.e. 100% of the revenues, expenses and segment results and cash and cash equivalents) to make decisions about resource allocation and to assess performance. Accordingly, in order to arrive at total consolidated revenues and expenses for 2015 and 2014, the "reconciliation" column reflects, besides consolidation adjustments, for inter-segment business relations, adjustments between aggregated segment revenue and expenses and consolidated revenue and expenses.

Segment information for the reportable segments for the year ended December 31, 2015 is set out below (in EUR thousand):

	Home & Living	Fashion	General Merchandise	Food 1	Food 2	Other	Re-conciliation[5)]	Total
2015								
Revenue	452,844	930,082	449,936	304,952	31,544	200,969	−2,241,995	128,332
EBITDA	−131,693	−318,613	−475,916	−109,506	−108,663	−229,456	1,173,046	−200,801
Cash and cash equivalents[6)] . .	64,609	75,181	110,951	109,235	97,906	1,901,486	−600,479	1,758,889

5) The reconciliation column includes the elimination of EUR 2,272,242 thousand revenues and adjustments of EBITDA of EUR 1,304,484 thousand from non-consolidated network companies. Moreover, the effects from consolidation are included in the reconciliation column.

6) Except for cash and cash equivalents included in the assets held for sale amounting to EUR 9,710 thousand in Rocket Internet Group as well as to EUR 1,466 thousand in the Fashion segment.

Segment information for the reportable segments for the year ended December 31, 2014 is set out below (in EUR thousand):

	Home & Living	Fashion	General Merchandise	Food 1	Food 2	Other[7)]	Re-conciliation[8)]	Total
2014								
Revenue	343,457	627,502	243,095	69,624	6,669	130,002	−1,292,166	128,182
EBITDA	−114,900	−250,342	−227,798	−15,148	−38,500	−89,442	1,160,562	424,432
Cash and cash equivalents	50,435	153,436	242,380	19,760	44,543	2,114,599	−571,705	2,053,448

7) The „Other" segment is retrospectively adjusted for network entities that were either sold, ceased operations or that became reportable during 2015.

8) The reconciliation column includes the elimination of EUR 1,332,322 thousand revenues and adjustments of EBITDA of EUR 713,168 thousand from non-consolidated network companies. Moreover, the effects from consolidation are included in the reconciliation column.

Revenues for each region for which the revenues are material are reported separately as follows:

Revenue by region	**2015**	**2014**
	in EUR thousand	
Germany	32,913	23,431
Brazil	67,408	63,635
Africa	55	23,279
Other	27,956	17,837
Total	**128,332**	**128,182**

Revenues are attributed to countries on the basis of the customer's location.

Non-current assets for each region for which it is material are reported separately as follows:

Non-current assets by region	**2015**	**2014**
	in EUR thousand	
Germany	12,122	8,088
Spain	79,577	0
Italy	38,915	0
Other	1,359	4,067
Total	**131,953**	**12,155**

The non-current assets reported in the table above only contain intangible assets and property, plant and equipment pursuant to IFRS 8.33(b).

The Rocket Internet Group has a diversified customer base.

7 Capital Management

The Company regards its total equity as capital. The primary objective of the Company's capital management is to support its operations, to cover the cash burn and to maximize shareholders' value while minimizing financial risk. Historically, the Company has financed its operations primarily through the issuance of equity instruments to third parties and in 2015, for the first time through the issuance of convertible bonds. To assist management in undertaking strategic activities, capital increases and servicing stock option plans, the shareholders of the Company have authorized the future issuance of ordinary shares in specific circumstances with the permission of the Supervisory Board. The Company has declared and paid dividends on its ordinary shares in the financial year 2014. However, the Company did not pay dividends in the financial year 2015 and does not expect to pay dividends in the foreseeable future.

The capital resources for the Group are also derived from cash payments from non-controlling interests, from operating activities and sales of equity investments.

Except for the decision to not declare dividends in the foreseeable future, no changes were made in the objective, policies or processes for managing capital during the years 2015 and 2014.

8 Principal Subsidiaries

As a result of Rocket Internet being an operational Internet platform, the basis of consolidation is subject to changes in each financial period. Usually, Rocket Internet has control and applies full consolidation when an enterprise is founded. In subsequent financing rounds, the enterprises attract the equity necessary to further extend operations from Rocket Internet as well as from other external investors. This means that Rocket Internet's direct and indirect share in the entities decreases over time in line with their size and maturity. Please, refer to Note 1 for further details on corporate structure, consumer brands, Group operations and to Note 6 regarding segment information.

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

Name of subsidiary	Place of business and incorporation	Nature of Business	Ownership 31/12/15	Ownership 31/12/14
Bonnyprints GmbH[1]	Berlin	eCommerce	77.1%	77.1%
Bus Servicos de Agendamento Ltda.	São Paulo	marketplace	100%	71.8%
Convenience Food Group S.à r.l.	Luxemburg	interim holding	62.6%	100%
Global Founders Capital GmbH & Co. Beteiligungs KG Nr. 1	Berlin	interim holding	100%	100%
Global Founders Capital S.à r.l.	Luxemburg	interim holding	100%	n/a
Global Fin Tech Holding S.à r.l.	Luxemburg	other services	100%	100%
Global Online Takeaway Group S.A.	Luxemburg	interim holding	100%	n/a
Grupo Yamm Comida a Domicilio S.L.	Madrid	marketplace	100%	n/a
International Rocket GmbH & Co. KG	Berlin	other services	100%	100%
Kanui Comercio Varejista Ltda.[2]	São Paulo	eCommerce	n/a	49.8%
MKC Brillant Services GmbH	Berlin	other services	65.0%	65.0%
Spotcap Global S.à r.l.	Luxemburg	interim holding	58.3%	58.3%
Tricae Comercio Varejista Ltda.[2]	São Paulo	eCommerce	n/a	48.6%
Webs S.r.l.	Bologna	marketplace	100%	n/a

1) Subsidiary deconsolidated in January 2016.
2) Subsidiary of MKC Brillant Services GmbH, deconsolidated in September 2015.

The proportions of voting rights in the subsidiaries are the same as the ownership interests presented in the table above. Ownership percentages are calculated on the group parent level, considering all non-controlling interests in the lower levels of the multilevel group hierarchy. In the table above, "n/a" indicates that the respective company was not a subsidiary as of the respective balance sheet date.

The total non-controlling interests as of December 31, 2015 amount to EUR 73,735 thousand (previous year EUR 34,184 thousand).

The Management has determined that the Group does not control the following companies even though Rocket Internet holds more than 50% of the voting rights. The companies listed below were not controlled because Rocket Internet does not have the ability to direct the relevant activities due to specific regulations in the shareholder agreements:

2015	Voting rights
Beauty Trend Holding GmbH	59.8%
Digital Services XXVIII S.à r.l.	70.0%
Ecommerce Holding II S.à r.l.	50.6%
HelloFresh AG	56.7%
Jade 1158. GmbH	68.2%
Jade 1223. GmbH	73.8%
PTH Brillant Services GmbH	79.6%

2014	Voting rights
Beauty Trend Holding GmbH	59.8%
Ecommerce Holding II S.à r.l.	55.5%
Emerging Markets Online Food Delivery Holding S.à r.l.	57.9%
Jade 1158. GmbH	68.2%
Jade 1223. GmbH	73.9%
Payleven Holding GmbH	55.8%
Paymill Holding GmbH	50.1%
PTH Brillant Services GmbH	79.6%
Wimdu GmbH	52.5%

Summarized financial information on subsidiaries with material non-controlling interests

Set out below is the summarized financial information for the subsidiaries with non-controlling interests that, in the opinion of the management, are material to the Company. The amounts shown are before intercompany eliminations and the elimination of investments in the subordinated subsidiaries.

Summarized balance sheet

December 31, 2015	Assets		Liabilities		Total	
	Non-current	Current	Non-current	Current	Net Assets	Attributable to NCI
			In EUR thousand			
Bonnyprints GmbH	14	176	0	1,323	−1,132	−259
Bus Servicos de Agendamento Ltda.	80	3,444	0	1,580	1,945	549
Convenience Food Group S.à r.l.	19,637	7,978	0	1,273	26,342	9,849
MKC Brillant Services GmbH	169,722	23,153	1,310	349	191,216	66,927
Spotcap Global S.à r.l.	22	13,194	0	107	13,110	5,465

December 31, 2014	Assets		Liabilities		Total	
	Non-current	Current	Non-current	Current	Net Assets	Attributable to NCI
			In EUR thousand			
Bonnyprints GmbH	52	112	0	711	−546	−125
Kanui Comercio Varejista Ltda.	1,058	12,968	0	15,617	−1,591	−799
MKC Brillant Services GmbH	74,354	62,868	344	237	136,641	47,824
Tricae Comercio Varejista Ltda.	767	6,484	48	10,725	−3,522	−1,809

Summarized income statement

	2015				
	Revenue	Profit (Loss)	Other comprehensive income	Total comprehensive income	Attributable to NCI
			In EUR thousand		
Bonnyprints GmbH	5,346	−592	0	−592	−136
Bus Servicos de Agendamento Ltda.	3,431	−4,703	−181	−4,884	−1,378
Convenience Food Group S.à r.l.	125	57	0	57	21
Kanui Comercio Varejista Ltda.[1]	31,557	−2,776	−515	−3,291	0
MKC Brillant Services GmbH	61	130,931	2,216	133,147	46,602
New TIN Linio I GmbH[2]	0	−25,468	0	−25,468	−12,327
Tricae Comercio Varejista Ltda.[1]	29,946	−4,540	−307	−4,848	0
Spotcap Global S.à r.l.	82	−594	0	−594	−248

1) until deconsolidation on September 26, 2015.
2) fully consolidated from March 31, 2015 until December 14, 2015.

	2014				
	Revenue	Profit (Loss)	Other comprehensive income	Total comprehensive income	Attributable to NCI
			In EUR thousand		
Africa eCommerce Holding GmbH[1]	20,520	−26,094	−321	−26,415	16,883
Bonnyprints GmbH	5,819	−546	0	−546	125
Kanui Comercio Varejista Ltda.	34,970	−3,532	−137	−3,669	1,617
MKC Brillant Services GmbH	207	35,204	−444	34,759	−12,166
Tricae Comercio Varejista Ltda.	22,808	−7,860	−74	−7,934	3,970

1) until deconsolidation on July 16, 2014, financial data of the Jumia Group.

There were no dividends paid to non-controlling interests during the periods presented.

Summarized cash flows

	2015		
	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities
		In EUR thousand	
Bonnyprints GmbH	−62	−1	68
Bus Servicos de Agendamento Ltda.	−4,161	−2	7,305
Convenience Food Group S.à r.l.	923	−16,428	15,704
Kanui Comercio Varejista Ltda.[1)]	754	−772	0
MKC Brillant Services GmbH	−276	−4,952	−8,033
New TIN Linio I GmbH[2)]	−28	−15,974	4,070
Tricae Comercio Varejista Ltda.[1)]	−6	−85	100
Spotcap Global S.à r.l.	121	−7,115	9

1) until deconsolidation on September 26, 2015.
2) fully consolidated from March 31, 2015 until December 14, 2015.

	2014		
	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities
		In EUR thousand	
Africa eCommerce Holding[1)]	−19,460	−996	16,368
Bonnyprints GmbH	−232	−22	94
Kanui Comercio Varejista Ltda.	−5,672	−547	6,180
MKC Brillant Services GmbH	−481	−40,476	50,046
Tricae Comercio Varejista Ltda.	−5,868	−467	5,951

1) until deconsolidation on July 16, 2014, financial data of the Jumia Group.

Summarized effect of loss of control of subsidiaries through sale during the period

The Group lost control of certain subsidiaries through sale in 2015.

In September 2015, the consolidated subsidiary MKC Brillant Services GmbH contributed its shares in the outdoor and sport shop Kanui (Jade 1159. GmbH and their subsidiaries VRB GmbH & Co. B-195 KG and Kanui Comercio Varejista Ltda.), as well as in the online shop for children's products Tricae (Jade 1218. GmbH and their subsidiaries VRB GmbH & Co. B-196 KG and Tricae Comercio Varejista Ltda.), both located in Brazil, in exchange for shares in the associate Global Fashion Group S.A..

In October 2015, the consolidated subsidiary Global Fin Tech Holding S.à r.l. contributed its 71.4% share in Zencap Global S.à r.l. (Zencap) to Funding Circle Holding Limited, London, (Funding Circle), in exchange for shares in this entity. The shares in Funding Circle are accounted for as other investment measured at fair value. Zencap operates a crowd lending platform focusing on small and middle-sized enterprises.

In January 2015, Rocket Internet´s consolidated subsidiary MKC Brillant Services GmbH contributed its 97% stake in LIH Subholding Nr. 3 UG (haftungsbeschränkt) & Co. KG to Carmudi Global S.à r.l. in exchange for shares in this entity. The LIH Subholding Nr. 3 UG (haftungsbeschränkt) & Co. KG (including its two subsidiaries) comprises the Mexican car classifieds services operating under the consumer brand Carmudi. The shares in Carmudi Global S.à r.l. are classified as Available-for-sale (AFS) equity investments.

In January 2015, Rocket Internet´s consolidated subsidiary MKC Brillant Services GmbH contributed its 97% stake in LIH Subholding Nr. 4 UG (haftungsbeschränkt) & Co. KG to Lamudi Global S.à r.l. in exchange for shares in this entity. The LIH Subholding Nr. 4 UG (haftungsbeschränkt) & Co. KG (including its four subsidiaries) comprises the real estate classified services operating in Mexico, Colombia and Peru under the consumer brand Lamudi. The shares in Lamudi Global S.à r.l. are classified as Available-for-sale (AFS) equity investments.

The Company lost control of the following subsidiaries through sale in 2014.

On April 4, 2014, Rocket Internet's fully consolidated subsidiary Asia Internet Holding S.à r.l. (as seller) and the associated company Car Classifieds Asia S.à r.l. (as buyer) signed an agreement regarding the sale of the 100% participation in Carmudi GmbH, Berlin, (former Brillant 1253. GmbH).

On August 12, 2014, Rocket Internet SE (as seller) and Bigfoot GmbH (as buyer) agreed on the sale of 100% of the shares in Digital Services Holding X S.à r.l.

According to the agreement dated November 17, 2014, MKC Brillant Services GmbH contributed its shares in LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG to the associated company Emerging Markets Online Food Delivery Holding S.à r.l. in exchange for shares in this entity. The LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG (including its 13 subsidiaries) comprised the Latin American delivery services operating under the consumer brands foodpanda and hellofood. The acquisition costs of the shares in Emerging Markets Online Food Delivery Holding S.à r.l., that were received by the seller in return, were measured at fair value of the businesses contributed.

In the years 2015 and 2014 the Group deconsolidated some dormant, non-significant subsidiaries as well as some liquidated subsidiaries. The amount of the results from the deconsolidation of such entities is explained in Note 14. These deconsolidations as well as further minor divestments had no material effect on the financial statements.

The amount of consideration received:

	Jan 1- Dec 31, 2015					Jan 1- Dec 31, 2014
	Kanui	**Tricae**	**Zencap**	**Other**	**Total**	**Total**
	In EUR thousand					
Cash received	0	0	0	230	230	47
Non-cash consideration	63,388	44,497	24,428	16,309	148,622	18,248
Consideration received	**63,388**	**44,497**	**24,428**	**16,539**	**148,852**	**18,295**

Analysis of assets and liabilities from subsidiaries over which control was lost through sale during the financial period:

	Jan 1- Dec 31, 2015					Jan 1- Dec 31, 2014
	Kanui	**Tricae**	**Zencap**	**Other**	**Total**	**Total**
	In EUR thousand					
Current assets	**7,950**	**5,383**	**3,520**	**4,980**	**21,833**	**8,002**
Cash and cash equivalents	133	125	2,381	2,348	4,988	4,310
Trade receivables	1,225	685	121	190	2,221	1,020
Inventories	6,366	4,359	0	511	11,236	454
Other	225	214	1,018	1,932	3,388	2,218
Non-current assets	**1,201**	**793**	**1,141**	**1,762**	**4,897**	**2,096**
Intangible assets	289	31	578	1,334	2,232	542
Property, plant and equipment	811	527	79	209	1,626	335
Other	101	235	483	218	1,038	1,220
Current liabilities	**12,962**	**12,629**	**2,553**	**9,742**	**37,886**	**25,719**
Non-current liabilities	**0**	**56**	**840**	**2**	**898**	**0**
Net assets disposed	**−3,811**	**−6,510**	**1,268**	**−3,002**	**−12,054**	**−15,621**

Result from the sale of subsidiaries (including dormant, non-significant and liquidated subsidiaries):

	Jan 1- Dec 31, 2015					Jan 1- Dec 31, 2014
	Kanui	**Tricae**	**Zencap**	**Other**	**Total**	**Total**
	In EUR thousand					
Consideration received	63,388	44,497	24,428	16,539	148,852	18,295
Net assets disposed of	3,811	6,510	−1,268	3,002	12,054	15,621
Non-controlling interests	−3,111	757	−27	−4,050	−6,431	−21,818
Reclassification of the parent's share of components previously recognized in OCI to profit or loss	909	1,649	0	49	2,607	0
Currency translation effects	649	595	0	−209	1,036	0
Other effects	−173	−227	−138	113	−425	0
Result from deconsolidation	**65,473**	**53,780**	**22,995**	**15,443**	**157,692**	**12,098**

Deconsolidation of subsidiaries due to deemed disposals during the period

The following former subsidiaries issued shares to third parties, which reduced Rocket Internet's ownership interest in the subsidiaries so that the Group no longer has a controlling financial interest in these subsidiaries.

In 2015

Name of the former subsidiary	Month of deconsolidation	Transition to
Digital Services XXVIII S.à r.l. (Nestpick)	October 2015	Associate
New TIN Linio II GmbH (Linio Holding)	December 2015	Associate

In 2014

Name of the former subsidiary	Month of deconsolidation	Transition to
Africa Internet Holding GmbH	July 2014	Joint venture
Asia Internet Holding S.à r.l.	August 2014	Joint venture
Azmalo S.à r.l.	March 2014	Associate of Asia Internet Holding S.à r.l.
Emerging Markets Taxi Holding S.à r.l.	August 2014	Associate
Car Classifieds Asia S.à r.l.	January 2014	Associate of Asia Internet Holding S.à r.l.
Classifieds Asia S.à r.l.	January 2014	Associate of Asia Internet Holding S.à r.l.
ECommerce Holding II S.à r.l. (Lendico)	March 2014	Associate
Helpling Group Holding S.à r.l.	October 2014	Associate
Middle East Internet Holding S.à r.l.	Mai 2014	Joint venture
Pricepanda Group GmbH	January 2014	Associate of Asia Internet Holding S.à r.l.

The gains and losses on deemed disposals, regular disposals and liquidation of subsidiaries resulting in a loss of control and accordingly a deconsolidation of subsidiaries are reported as a separate line item in the income statement. The portion of the gains due to measuring any investment retained in the former subsidiaries at its fair value at the date when control is lost is disclosed in the Note 14.

Effects of changes in ownership without loss of control

The following tables show the effects on the equity attributable to owners of the parent from changes in Group ownership interest in the material subsidiaries that did not result in a loss of control:

	Impact on equity attributable to owners of the parent company in 2015
	In EUR thousand
Convenience Food Group S.à r.l.[1]	14,870
Digital Services Holding XXII S.à r.l. (Zipjet)	3,980
Vaniday Global S.à r.l.	3,739
Digital Services Holding XLIII S.à r.l. (Carspring)[2]	3,496
Bus Servicos de Agendamento Ltda.	94
Bonnyprints GmbH	no change
MKC Brillant Services GmbH	no change
Spotcap Global S.à r.l.	no change

[1] including subsidiaries of Convenience Food Group S.à r.l.

[2] including subsidiaries of Digital Services Holding XLIII S.à r.l.

	Impact on equity attributable to owners of the parent company in 2014
	In EUR thousand
MKC Brillant Services GmbH	24,718
Kanui Comercio Varejista Ltda.	1,921
Tricae Comercio Varejista Ltda.	1,805

In January 2015, the Company purchased non-controlling interests in Jade 1317. GmbH for an amount of EUR 9,560 thousand, therefore reversing the corresponding previous allocation of profits to non-controlling interests of EUR 481 thousand and allocating EUR -9,080 thousand to other revenue reserves.

In January 2014, the Company purchased non-controlling interests in Bonnyprints GmbH for an amount of EUR 225 thousand, therefore reversing the corresponding previous allocation of losses to non-controlling interests of EUR 17 thousand and allocating EUR -242 thousand to other revenue reserves.

Furthermore, the investment rounds at all subsidiaries (including the abovementioned subsidiaries) as a result of which the Company's ownership has decreased resulted in the following movements in equity:

Capital reserves (Proceeds from non-controlling interests)	attributable to shareholders of the parent	attributable to non-controlling interests	Total
	In EUR thousand		
2015	35,395	22,635	**58,030**
2014	65,901	35,670	**101,571**

9 Business Combinations and Similar Transactions

Business combinations during the financial years 2014 and 2015

During the financial year 2014 there were no major transactions or other events that meet the definition of a business combination.

During 2015, Rocket Internet performed a series of strategic transactions to further 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 area including foodpanda, Delivery Hero, Talabat (immediately contributed to Delivery Hero), La Nevera Roja and Pizzabo.it.

Acquisition of Webs S.r.l. (Pizzabo.it)

On January 30, 2015, the Group acquired 100% of the voting shares of Webs S.r.l. (Pizzabo.it) for a cash consideration of EUR 51,272 thousand. Pizzabo.it is an unlisted company based in Bologna and a developer and operator of an online delivery platform for takeaway pizzas and other food. The Group acquired Pizzabo.it as a part of the creation of the Global Online Takeaway Group.

The fair values of the identifiable assets and liabilities of Pizzabo.it as of the date of acquisition were:

	Fair value recognized on acquisition
	In EUR thousand
Assets	**8,843**
Property, plant and equipment	80
Intangible assets	8,213
Other non-current assets	35
Cash and cash equivalents	361
Trade receivables	139
Other current assets	15
Liabilities	**2,818**
Provisions	15
Deferred tax liabilities	2,579
Income tax liabilities	44
Trade payables	26
Other financial liabilities	68
Other non-financial liabilities	86
Total identifiable net assets at fair value	**6,025**
Goodwill arising on acquisition	45,247
Purchase consideration transferred	**51,272**

The fair value of the trade receivables amounts to EUR 139 thousand. The gross amount of trade receivables is EUR 140 thousand. However, none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

If the acquisition of Pizzabo.it had completed on January 1, 2015, they would have contributed revenues of EUR 1,163 thousand and EBITDA of EUR -2,598 thousand. Since January 30, 2015 Pizzabo.it contributed revenues of EUR 1,056 thousand and EBITDA of EUR -2,659 thousand.

The deferred tax liability comprises the tax effect of the amortization of intangible assets (trade mark, customer relationships and technology) recognized on acquisition.

The goodwill of EUR 45,247 thousand arose because the cost of the combination included a control premium. In addition, the consideration paid comprises the value of expected synergies arising from the acquisition, revenue growth, future market development and the assembled workforce of Pizzabo.it which could not be separately recognized. None of the goodwill recognized is expected to be deductible for income tax purposes.

	Purchase consideration
	In EUR thousand
Cash payments on acquisition	44,000
Contingent cash consideration liability (earn out payment)	7,272
Total consideration	51,272

Consideration includes all payments made to shareholders or on behalf of them that were relevant to gaining control of the company and were not related to acquisition costs.

Contingent cash consideration (earn out payment)

As part of the accounting for the acquisition of Pizzabo.it, a contingent cash consideration liability with an estimated fair value of EUR 7,272 thousand was recognized at the acquisition date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting performance targets and a discount rate. Future developments may require further revisions to the estimate. The maximum consideration to be paid is EUR 15,000 thousand, the minimum consideration amounts to EUR 8,250 thousand. The contingent consideration is classified as financial liability at fair value through profit or loss. Under the contingent consideration agreement, the Group is required to pay the sellers on the first and second anniversary after the closing date an amount equal to 10% of the market valuation of Pizzabo.it, as calculated applying the formula (combination of revenue multiple and EBITDA multiple) specified in the sale and purchase agreement.

Acquisition-related costs amounting to EUR 137 thousand have been excluded from the consideration transferred and have been recognized as an expense in profit or loss in January 2015 within the 'other operating expenses' line item.

Acquisition of Grupo Yamm Comida a Domicilio S.L. (La Nevera Roja)

On January 26, 2015, the Group acquired 100% of the voting shares of Grupo Yamm Comida a Domicilio S.L. (La Nevera Roja). La Nevera Roja is an unlisted company based in Madrid and a developer of an online delivery platform for takeaway food as well as a delivery service provider to restaurants that do not own their own delivery service. The Group acquired La Nevera Roja for a cash consideration of EUR 80,440 thousand as part of its strategy to establish the Global Online Takeaway Group.

The fair values of the identifiable assets and liabilities of La Nevera Roja as at the date of acquisition were:

	Fair value recognized on acquisition
	In EUR thousand
Assets	**21,322**
Property, plant and equipment	80
Intangible assets	13,663
Other non-current assets	236
Cash and cash equivalents	5,546
Trade receivables	68
Other current assets	1,729
Liabilities	**10,969**
Loans/other financial liabilities	5,451
Trade payables	3,551
Deferred tax liability	1,090
Other non-financial liabilities	877
Total identifiable net assets at fair value	**10,353**
Goodwill arising on acquisition	70,087
Purchase consideration transferred	**80,440**

The gross amount of trade receivables is equally EUR 68 thousand. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

If the acquisition of La Nevera Roja had completed on January 1, 2015, they would have contributed revenues of EUR 4,962 thousand and EBITDA of EUR −11,860 thousand. Since January 26, 2015 La Nevera Roja contributed revenues of EUR 4,650 thousand and EBITDA of EUR −10,393 thousand. The deferred tax liability comprises the tax effect of the amortization of intangible assets (trade mark, customer relationships and technology) recognized on acquisition.

The goodwill of EUR 70,087 thousand arose because the cost of the combination included a control premium. In addition, the consideration paid comprises the value of expected synergies arising from the acquisition, revenue growth, future market development and the assembled workforce of La Nevera Roja, which is not separately recognized. None of the goodwill recognized is expected to be deductible for income tax purposes.

	Purchase consideration
	In EUR thousand
Cash payments on acquisition	80,440
Total consideration	**80,440**

Acquisition-related costs amounting to EUR 181 thousand have been excluded from the consideration transferred and have been recognized as an expense in profit or loss in January 2015 within the 'other operating expenses' line item.

Other business combinations

Furthermore, during 2015 the Group acquired for a total cash consideration, net of cash acquired, amounting to EUR 1,198 thousand the following business:

Trade name of the business	Operations
Somuchmore	Berlin based beauty and wellness platform offering a subscription for yoga, meditation, pilates, dance, fitness and diet courses.
Shopkin	Kin Shopping GmbH, Berlin, develops and offers an online application for shopping.
Volo	Volo allows customers to order food online from restaurants that do not deliver it themselves. Volo was purchased by Rocket Internet in March 2015 and subsequently transferred in April 2015 to foodpanda.
Food Messenger	Malaga (Spain) based on-demand food delivery service. Food Messenger provides delivery logistics to restaurants that generally do not deliver.

The above mentioned business combinations are individually and collectively immaterial.

Acquisition and disposal of shares in Talabat General Trading & Contracting Company W.L.L. (Talabat)

Following a purchase agreement signed on February 11, 2015, Rocket Internet Group acquired 100% of the shares in Talabat as of March 11, 2015. Talabat is one of the leaders in the online food takeaway market in the Middle East, headquartered in Kuwait. The purchase price was USD 170 million. Talabat operates in Kuwait, Saudi Arabia, United Arab Emirates (UAE), Bahrain, Oman and Qatar with particularly strong market positions in Kuwait, UAE and Saudi Arabia.

On March 9, 2015, Rocket Internet Group signed a share contribution agreement to increase its stake in Delivery Hero Holding GmbH, through the contribution of its newly acquired Talabat shares. On April 30, 2015 (entry in trade register), Delivery Hero Holding GmbH increased its share capital correspondingly. The closing of the transaction occurred on May 15, 2015.

The acquisition of Talabat shares and their direct contribution into the Delivery Hero Holding GmbH are assessed as a single transaction. Therefore Talabat's operations did not contribute to the Group's revenues and net loss. The investment in Delivery Hero Holding GmbH increased by the fair value of the shares in Talabat contributed in exchange of Delivery Hero shares.

10 Investments in Associates and Joint Ventures

Investments accounted for using the equity method

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Investments in associates	1,385,961	1,067,442
Investments in joint ventures	310,460	383,320
Total investments in associates and joint ventures	**1,696,421**	**1,450,762**

Investments in associates

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

Trade Name	Name of associate	Registered Office	Principal Activity	Ownership 31/12/2015	Ownership 31/12/2014
AEH New Africa II (holding for parts of Jumia)	AEH New Africa eCommerce II GmbH	Berlin	eCommerce/ marketplace	34.6%	34.6%
foodpanda	Emerging Markets Online Food Delivery Holding S.à r.l.	Luxemburg	marketplace	49.1%	57.9%
Global Fashion	Global Fashion Group S.A	Luxemburg	eCommerce	26.9%	25.2%
HelloFresh[1)]	HelloFresh AG	Berlin	eCommerce	56.7%	44.2%
Home24	Home24 AG	Berlin	eCommerce	45.5%	49.6%
Lazada	Lazada Group S.A.	Luxemburg	eCommerce/ marketplace	22.8%	n/a
Linio[2)]	New Tin Linio II GmbH	Berlin	eCommerce/ marketplace	31.0%	n/a
Westwing	Westwing Group GmbH	Berlin	eCommerce	32.2%	36.3%
Big Commerce (holding for Linio and Lazada)	TIN Brillant Services GmbH	Berlin	eCommerce/ marketplace	n/a	51.6%

1) No control due to specific regulations in the shareholder agreement.
2) For the purposes of the equity method, the economic ownership that was used differs from the legal equity interest disclosed in Note 46.

Reorganization of Big Commerce in 2015

Prior to reorganization, the Linio and Lazada businesses were operated via the intermediate holding company TIN Brillant Services GmbH (associated company of Rocket Internet):

Associated company of Rocket Internet	Trade name of the associate	Business operated by the associate prior to reorganization
TIN Brillant Services GmbH	Big Commerce	Linio and Lazada

During the financial year 2015, Rocket Internet together with co-investors dissolved Big Commerce and established the following holding entities, in which the two businesses are now operated separately:

Trade name of the business	New holding entity after reorganization
Lazada	Lazada Group S.A.
Linio	New TIN Linio II GmbH

In the course of the reorganization, New TIN Linio II was split off from Big Commerce in the first quarter of 2015. Big Commerce recognized the split off as a distribution in kind through profit or loss (one-time effect) in accordance with IFRIC 17. As a result of the split off, fair value changes amounting to EUR 29,452 thousand which have previously been recognized in OCI have been recycled through profit or loss.

In the second quarter of 2015, Big Commerce was contributed into the new holding company Lazada Group S.A. In the context of this contribution, no one-time effects were recognized in profit or loss.

Reorganization in conjunction with the establishment of Global Fashion Group in 2014

Prior to reorganization, the following five fashion eCommerce businesses operated via three intermediate holding companies (associated companies of Rocket Internet):

Associated company of Rocket Internet	Trade name of the associate	Business operated by the associate prior to reorganization
Bigfoot GmbH	Bigfoot I	Dafiti, Jabong and Lamoda business as well as share of Namshi business
BGN Brillant Services GmbH	Bigfoot II	Zalora business (including 'The Iconic' brand)
TIN Brillant Services GmbH	Big Commerce	Share of Namshi business

In December 2014, Rocket Internet together with co-investors established the Global Fashion Group S.A. (trade name: "Global Fashion Group"), in which Rocket Internet's five fashion eCommerce businesses were combined. All direct shareholders in the five existing eCommerce companies

- Dafiti Latam GmbH & Co. Beteiligungs KG ("Dafiti"),
- Lamoda GmbH ("Lamoda"),
- Zalora Group GmbH ("Zalora"),
- Middle East eCommerce Holding GmbH ("Namshi") and
- Jabong GmbH ("Jabong"),

as well as the shareholders of Bigfoot GmbH, BGN Brillant Services GmbH and TIN Brillant Services GmbH mutually agreed to contribute their shares in the aforementioned entities into the Global Fashion Group.

The insertion of Global Fashion Group as parent of Bigfoot I does not result in a business combination and has no impact on the consolidated statement of comprehensive income of Rocket Internet.

In addition to the formation of the Global Fashion Group, certain non-global fashion e-commerce businesses were transferred to the newly established holding entities:

Trade name of the non-global fashion business	Former holding entity	New holding entity after reorganization
FabFurnish	Bigfoot I	FabFurnish GmbH
Zanui.com	Bigfoot II	New BGN Other Assets II GmbH
Share of Jumia business	Big Commerce	AEH New Africa eCommerce II GmbH

After the reorganization, Global Fashion Group operates amongst others the brands Dafiti (Latin America), Jabong (India), Lamoda (Russia), Namshi (Middle East) and Zalora & The Iconic (South East Asia and Australia).

Summarized financial information

Summarized financial information in respect of the Group's material associates is set out below. The summarized financial information below represents amounts shown in the associate's financial statements and adjusted by the Group for equity accounting purposes. All of the material associated companies prepare consolidated financial information in accordance with IFRS. Summarized financial information is presented for both, the Groups direct investments in associates being operating network companies (e.g. Home24, HelloFresh, Westwing, foodpanda) as well as for associates being intermediate holding companies (e.g. AEH New Africa II, Bigfoot I, Bigfoot II, Big Commerce, Global Fashion). During the financial years 2014 and 2015, the intermediate holding companies did not fully consolidate all of their operating network companies for the whole period. Furthermore, the effects of legal reorganizations on the intermediate holding company level reflected in their statutory financial statements do not allow a direct reconciliation between segment information as presented in Note 6 and the summarized financial information provided below.

Summarized balance sheets (in thousands):

December 31, 2015

Company	**AEH New Africa II**	**foodpanda**	**Global Fashion**	**HelloFresh**
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Current assets	104	117,346	372,777	137,494
Non-current assets	81,670	98,254	1,989,591	108,782
Current liabilities	43	29,182	257,715	60,809
Non-current liabilities	0	10,164	160,202	34,480
Net assets	**81,731**	**176,254**	**1,944,451**	**150,987**

December 31, 2015 (continued)

Company	**Home24**	**Lazada**	**Linio**	**Westwing**
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Current assets	100,403	123,945	41,138	41,142
Non-current assets	105,592	367,520	134,555	43,679
Current liabilities	73,460	107,184	25,332	52,997
Non-current liabilities	15,875	79,688	36,106	15,270
Net assets	**116,660**	**304,593**	**114,255**	**16,554**

December 31, 2014

Company	**AEH New Africa II**	**Big Commerce**	**foodpanda**	**Global Fashion**
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Current assets	109	35,152	51,955	463,596
Non-current assets	102,455	525,362	74,894	1,856,006
Current liabilities	41	25,993	13,799	211,933
Non-current liabilities	0	0	10,193	155,181
Net assets	**102,523**	**534,520**	**102,856**	**1,952,487**

December 31, 2014 (continued)

Company	**HelloFresh**	**Home24**	**Westwing**
Currency	**EUR**	**EUR**	**EUR**
Current assets	27,283	66,709	44,891
Non-current assets	36,565	49,682	27,299
Current liabilities	13,152	71,109	51,909
Non-current liabilities	7,499	10,547	18,151
Net assets	**43,197**	**34,735**	**2,131**

Summarized income statements (in thousands):

December 31, 2015

Company	AEH New Africa II	foodpanda	Global Fashion	HelloFresh
Currency	EUR	EUR	EUR	EUR
Revenue	0	31,544	930,082	304,952
Profit or loss	−20,753	−118,216	−379,746	−121,454
Other comprehensive income	0	−4,373	−26,815	−221
Total comprehensive income	−20,753	−122,589	−406,561	−121,675
Dividends received from the associate during the year	0	0	0	0

December 31, 2015 (continued)

Company	Home24	Lazada	Linio	Westwing
Currency	EUR	EUR	EUR	EUR
Revenue	233,650	247,845	67,122	219,194
Profit or loss	−93,866	−315,674	−69,425	−68,065
Other comprehensive income	691	3,193	178	3,167
Total comprehensive income	−93,176	−312,482	−69,247	−64,898
Dividends received from the associate during the year	0	98,037[1)]	0	0

1) The amount of EUR 98,037 thousand is due to the distribution in kind of Linio in the course of the reorganization of Big Commerce.

December 31, 2014

Company	AEH New Africa II	Big Commerce	foodpanda	Global Fashion[1)]
Currency	EUR	EUR	EUR	EUR
Revenue	0	195	6,669	212,422
Profit or loss	−1,934	25,558	−39,737	185,693
Other comprehensive income	0	0	−7,828	−13,533
Total comprehensive income	−1,934	25,558	−47,565	172,160
Dividends received from the associate during the year	0	19,283[2)]	0	10,148[3)]

1) Financial information taken from the Global Fashion Group consolidated financial statements deviates from segment presentation (Note 6).
2) The amount of EUR 19,283 thousand results from the non-cash distribution of the Namshi business in the course of the reorganization in conjunction with the establishment of Global Fashion Group.
3) The amount of EUR 10,148 thousand results from non-cash distributions of three non-global fashion e-commerce businesses in the course of the reorganization in conjunction with the establishment of Global Fashion Group.

December 31, 2014 (continued)

Company	HelloFresh	Home24	Westwing
Currency	EUR	EUR	EUR
Revenue	69,624	160,126	183,332
Profit or loss	−15,244	−62,374	−72,603
Other comprehensive income	−684	358	6,412
Total comprehensive income	−15,927	−62,017	−66,191

Reconciliation of the above summarized financial information to the carrying amount of the interest in associates recognized in the consolidated financial statements is set out below. Other adjustments reflect non-controlling interests of the associates (in thousands).

December 31, 2015

Company	AEH New Africa II	foodpanda	Global Fashion	HelloFresh
Currency	EUR	EUR	EUR	EUR
Net assets of the associate	81,731	176,254	1,944,451	150,987
Proportion of the Group's ownership interest in the associate	34.6%	49.1%	26.9%	56.7%
Goodwill	0	16,555	42,903	111,498
Other adjustments	0	5,398	− 19,066	242
Carrying amount of the Group's interest in the associate	**28,260**	**108,421**	**547,048**	**197,287**

December 31, 2015 (continued)

Company	Home24	Lazada	Linio	Westwing
Currency	EUR	EUR	EUR	EUR
Net assets of the associate	116,660	304,593	114,255	16,554
Proportion of the Group's ownership interest in the associate	45.5%	22.8%	31.0%	32.2%
Goodwill	15,151	121,302	61,403	5,337
Other adjustments	4,069	606	− 1,684	10,680
Carrying amount of the Group's interest in the associate	**72,324**	**191,360**	**95,117**	**21,348**

December 31, 2014

Company	AEH New Africa II	Big Commerce	foodpanda	Global Fashion
Currency	EUR	EUR	EUR	EUR
Net assets of the associate	102,523	534,520	102,856	1,952,487
Proportion of the Group's ownership interest in the associate	34.6%	51.6%	57.9%	25.2%
Goodwill	0	0	16,447	23,685
Other adjustments	0	0	2,335	− 22,893
Carrying amount of the Group's interest in the associate	**35,448**	**275,800**	**78,346**	**492,723**

December 31, 2014 (continued)

Company	HelloFresh	Home24	Westwing
Currency	EUR	EUR	EUR
Net assets of the associate	43,197	34,735	2,131
Proportion of the Group's ownership interest in the associate	44.2%	49.6%	36.3%
Goodwill	25,551	10,576	11,220
Other adjustments	790	3,734	10,027
Carrying amount of the Group's interest in the associate	**45,425**	**31,542**	**22,020**

Aggregate financial information for individually immaterial associates

In addition to the interests in associates disclosed above, Rocket Internet has also interests in a number of individually immaterial associates that are accounted for using the equity method.

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Aggregate carrying amount of individually immaterial associates	124,795	86,136
Aggregate amounts of group's share of:		
profit/loss from continued operations	− 42,519	− 16,013
total comprehensive income	− 42,705	− 16,013

Unrecognized share of losses of associates

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Cumulative share of loss of an associate	−6,726	−12,693
The unrecognized share of loss of an associate for the year (year ended Dec 31)	−2,840	−25

Investments in joint ventures

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

Trade Name	Name of joint venture	Registered Office	Principal Activity	Ownership 31/12/15	Ownership 31/12/14
Africa Internet Group[1)]	Africa Internet Holding GmbH	Berlin	eCommerce/ Marketplace	33.3%	33.3%
Asia Pacific Internet Group[1)]	Asia Internet Holding S.à r.l.	Luxemburg	eCommerce/ Marketplace	50.0%	50.0%
Middle East Internet Group[1)]	Middle East Internet Holding S.à r.l.	Luxemburg	eCommerce/ Marketplace	50.0%	50.0%
Wimdu[2)]	Wimdu GmbH	Berlin	Marketplace	n/a	52.5%

1) Strategic partnership for the Company, providing access to new customers and markets in the respective regions Africa, Asia-Pacific and Middle East.
2) As of December 31, 2015 associated company.

Summarized financial information in respect of the Group's material joint ventures is set out below and represents amounts shown in the joint venture's consolidated financial statements prepared in accordance with IFRSs and adjusted by the Group for equity accounting purposes.

Summarized balance sheets (in thousands):

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group
Reporting date	**31/12/15**	**31/12/15**	**31/12/15**
Currency	**EUR**	**EUR**	**EUR**
Current assets	127,646	146,312	24,308
Non-current assets	12,442	124,500	20,394
Current liabilities	47,134	15,193	6,298
Non-current liabilities	10,769	8,366	57
Net assets	**82,185**	**247,253**	**38,346**

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu
Reporting date	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Current assets	153,605	89,429	37,294	24,621
Non-current assets	123,968	187,488	20,131	256
Current liabilities	31,237	4,825	1,548	14,705
Non-current liabilities	116	1,919	0	0
Net assets	**246,220**	**270,173**	**55,878**	**10,172**

The above amounts of assets and liabilities include the following:

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group
Reporting date	**31/12/15**	**31/12/15**	**31/12/15**
Currency	**EUR**	**EUR**	**EUR**
Cash and cash equivalents	28,102	100,839	19,777
Current financial liabilities (excluding trade and other payables and provisions)	15	4,027	2,045
Non-current financial liabilities (excluding trade and other payables and provisions)	857	8,366	57

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu
Reporting date	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Cash and cash equivalents	33,440	44,065	36,155	19,903
Current financial liabilities (excluding trade and other payables and provisions)	610	1,985	171	9,785
Non-current financial liabilities (excluding trade and other payables and provisions)	0	1,918	0	0

Summarized income statements (in thousands):

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group
Year ended	**31/12/15**	**31/12/15**	**31/12/15**
Currency	**EUR**	**EUR**	**EUR**
Revenue	144,626	13,666	11,967
Profit or loss from continuing operations	− 178,483	− 50,544	− 22,035
Post-tax profit or loss from discontinued operations	0	0	0
Other comprehensive income	− 407	− 121	32
Total comprehensive income	− 178,890	− 50,665	− 22,002
Dividends received from the joint venture during the year	0	0	0

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu
Year ended	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Revenue	63,694	1,743	110	13,528
Profit or loss from continuing operations	− 80,762	1,249	− 6,163	− 11,190
Post-tax profit or loss from discontinued operations	0	− 1,262	0	0
Other comprehensive income	− 1,088	− 291	0	0
Total comprehensive income	− 81,850	− 304	− 6,163	− 11,190
Dividends received from the joint venture during the year	0	0	0	0

The above profit or loss for the year includes the following (in thousands):

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group
Year ended	**31/12/15**	**31/12/15**	**31/12/15**
Currency	**EUR**	**EUR**	**EUR**
Depreciation and amortization	− 4,598	− 5,175	− 212
Interest income	207	157	0
Interest expense	− 808	− 185	0
Income tax expense (income)	− 142	918	− 371

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu
Year ended	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Depreciation and amortization	− 1,727	− 366	− 21	− 137
Interest income	263	70	0	146
Interest expense	− 352	− 52	− 1	− 6
Income tax expense (income)	− 293	61	− 26	0

Reconciliation of the above summarized financial information to the carrying amount of the interest in the joint venture recognized in the consolidated financial statements (in thousands):

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group
Reporting date	**31/12/15**	**31/12/15**	**31/12/15**
Currency	**EUR**	**EUR**	**EUR**
Net assets of the joint venture	82,185	247,253	38,346
Proportion of the Group's ownership interest in the joint venture	33.3%	50.0%	50.0%
Goodwill	82,677	18,402	29,443
Other adjustments	20,487	− 11,981	1,238
Carrying amount of the Group's interest in the joint venture	**130,560**	**130,047**	**49,854**

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu
Reporting date	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Net assets of the joint venture	246,220	270,173	55,878	10,172
Proportion of the Group's ownership interest in the joint venture	33.3%	50.0%	50.0%	52.5%
Goodwill	84,048	18,402	29,443	0
Other adjustments	1,125	3	− 140	0
Carrying amount of the Group's interest in the joint venture	**167,246**	**153,491**	**57,242**	**5,342**

Other adjustments reflect non-controlling interests of the joint ventures.

As of December 31, 2015 and 2014, the Group did not have any immaterial joint ventures.

Notes to the Income Statement

11 Revenue

Revenue for the year comprises the following:

	2015	%	2014	%
	In EUR thousand		**In EUR thousand**	
Sale of goods	70,733	55	87,435	68
Rendering of services	56,762	44	40,747	32
Interest	837	1	0	0
Total	**128,332**	**100**	**128,182**	**100**

Revenue generated from the rendering of services primarily result from consulting services provided to associates and joint ventures. Furthermore, revenues from rendering of intermediation services (marketplaces) are also included therein.

12 Internally Produced and Capitalized Assets

In the reporting period the internally produced and capitalized assets amount to EUR 5,719 thousand (previous year EUR 2,878 thousand) and result from capitalized intangible assets (mainly software platforms).

13 Other Operating Income

Other operating income comprises the following:

	2015	2014
	In EUR thousand	
Currency translation gains	2,599	511
Gain on disposal of available-for-sale investments	329	1,217
True-up of written-off receivable	0	154
Other	2,066	2,318
Other operating income	**4,994**	**4,200**

14 Result from Deconsolidation of Subsidiaries

	2015	2014
	In EUR thousand	
Gains from deconsolidation		
sales of subsidiaries	158,375	12,163
deemed disposals (loss of control when subsidiary issues shares to third parties)	9,333	440,503
other (liquidations and deconsolidation of dormant subsidiaries)	1,277	0
Losses from deconsolidation		
sales of subsidiaries	− 1,845	− 45
other (liquidation and deconsolidation of dormant subsidiaries)	− 115	− 20
Result from deconsolidation of subsidiaries	**167,025**	**452,601**

When Rocket Internet loses control over a company, the former subsidiaries are no longer consolidated, but they usually become associated companies or joint ventures. The retained interests are measured at fair value at first time recognition. The gain or loss that results from the deconsolidation and first-time recognition as associated company or joint venture is recognized as gain / loss from deconsolidation.

The income from deconsolidation in the year 2015 mainly resulted from the sale of the subsidiaries Kanui Comercio Varejista Ltda., of Tricae Comercio Varejista Ltda. and Zencap Global S.à r.l. in exchange for shares. For further information we refer to Note 8.

The income from deconsolidation in the year 2014 mainly resulted from the deemed disposals of Africa Internet Holding GmbH (EUR 168,203 thousand), Asia Internet Holding S.à r.l. (EUR 109,795 thousand), Middle East Internet Holding S.à r.l. (EUR 61,181 thousand), Emerging Markets Taxi Holding S.à r.l. (EUR 28,801 thousand), Kaymu (Azmalo S.à r.l., EUR 16,718 thousand), Lendico (Ecommerce Holding II S.à r.l., EUR 16,305 thousand), Helpling Group Holding S.à r.l. (EUR 11,434 thousand) and Pricepanda Group GmbH (EUR 10,729 thousand). Gains from sales of subsidiaries mainly comprise the gain of EUR 12,129 thousand resulting from the exchange of shares in the fully consolidated LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG (including its subsidiaries) for shares in Emerging Markets Online Food Delivery Holding S.à r.l. The contributed subsidiary comprised the Latin American food delivery services operating under the consumer brands hellofood and foodpanda.

15 Gain from Distribution of Non-Cash Assets to Owners

On May 30, 2014, the then existing shareholders of the Company approved a dividend in kind to certain shareholders. Consequently, the Company transferred by way of a separate share transfer agreement 4,145 and 1,892 shares in its associates Bigfoot I to Emesco and AI European Holdings S.à r.l., respectively, as well as 4,559 and 2,082 shares in its associate Bigfoot II to Emesco and AI European Holdings S.à r.l., respectively. The respective gain from distribution of non-cash assets to owners amounts to EUR 60,594 thousand.

No dividends in kind were distributed in 2015.

16 Purchased Merchandise and Purchased Services

Purchased merchandise and purchased services comprise the following:

	2015	2014
	In EUR thousand	
Purchased goods / merchandise	44,710	57,364
Purchased services	19,401	12,424
Other	5	0
Purchased merchandise and services	**64,116**	**69,788**

17 Employee Benefit Expenses

Employee benefit expenses comprise the following:

	2015	2014
	In EUR thousand	
Salaries, bonuses and other short-term employee benefits	74,383	57,784
Social security	11,460	8,881
Equity-settled share-based payments	57,952	51,295
Cash-settled share-based payments	14,739	16,690
Other	13,123	7,220
Employee benefit expenses	**171,656**	**141,870**

Social security costs include contributions to the statutory pension insurance of EUR 6,535 thousand (previous year EUR 4,860 thousand).

Regarding the Equity- and Cash-settled share-based payments, please refer to Note 39.

18 Other Operating Expenses

Other operating expenses comprise the following:

	2015	2014
	In EUR thousand	
Marketing expenses	31,388	32,070
Legal and consultancy	10,739	8,445
IT costs	6,323	3,922
Rent and occupancy costs	5,381	5,432
External services	4,353	8,713
Office and infrastructure costs	4,180	4,472
Bookkeeping, year-end closing, auditing expenses	4,009	2,314
Other levies/insurance premiums	2,426	1,046
Derecognition and impairment of receivables	2,294	1,702
Travel expenses	1,660	2,561
Other personnel related expenses	1,037	4,438
Currency translation losses	378	883
Other	8,302	11,671
Other operating expenses	**82,470**	**87,669**

Marketing expenses comprise costs for advertising, customer relation and public relations. Expenses for external services comprise costs for services rendered by third parties.

19 Share of Profit/Loss of Associates and Joint Ventures

In the reporting period, the share of profit/loss of associates and joint ventures amounts to EUR −188,629 thousand (previous year EUR 75,109 thousand). It mainly results from Global Fashion Group, Africa Internet Holding GmbH, foodpanda, HelloFresh and Linio (previous year Global Fashion Group/Bigfoot and BGN Brillant Services GmbH). For further information on associated companies and joint ventures, please refer to Note 10.

20 Depreciation and Amortization

Please see the reconciliations of assets in Notes 24 and 25 for an overview of depreciation, amortization and impairment in the periods under review.

21 Financial Result

Financial result for the period comprises the following:

	2015	2014
	In EUR thousand	
Interest and similar income	975	568
Gain on financial instruments at FVTPL	86,172	27,665
Dividends received from associates at FVTPL	4,153	295
Other dividends	372	0
Gain from the derecognition of AFS financial assets FVTOCI	1,329	0
Gain from the revaluation of financial liabilities	5	0
Currency translation gains	2,068	0
Total finance income	**95,074**	**28,528**
Interest and similar expenses	−11,829	−1,763
Loss on financial instruments at FVTPL	−53,157	−14,734
Loss from the revaluation of financial liabilities at FVTPL	−355	0
Currency translation losses	−17	0
Total finance expense	**−65,357**	**−16,497**
Net financial result	**29,717**	**12,031**

For further information regarding the profit / loss from changes in fair value of financial instruments at FVTPL refer to Note 41.

22 Income Tax

Income tax expense recorded in profit or loss comprises the following:

	2015	2014
	In EUR thousand	
Current tax expense/income	958	507
thereof current period	1,116	468
thereof previous years	−158	39
Deferred tax expense/income	438	4,496
thereof current period	535	4,495
thereof previous years	−97	0
Income tax expense for the year	**1,395**	**5,003**

Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The difference between the actual income taxes and the expected income taxes that would arise using the weighted average tax rate to profit or loss before tax relates to the following reconciling items:

	2015	2014
	In EUR thousand	
Profit before tax	**− 196,406**	**433,809**
Tax calculated at domestic tax rates applicable to profits in the respective countries	57,782	− 131,551
Income not subject to tax	25,400	26,043
Expenses not deductible for tax purposes	− 18,408	− 5,624
Tax losses for which no deferred income tax assets was recognized	− 39,485	− 17,470
Utilization of tax losses from previous years	555	0
Share-based payments not deductible for tax purposes	− 16,195	− 14,965
Results of associates/joint ventures and deconsolidation	− 6,702	140,396
Permanent differences (especially from the impairment of goodwill)	− 5,585	0
Other tax effects	1,243	− 1,832
Income tax expense for the year	**− 1,395**	**− 5,003**

The weighted average applicable tax rate was 29.42% (previous year 30.32%), which was derived from the tax rate in each tax jurisdiction weighted by the relevant pre-tax profit or loss.

Deferred Taxes

Differences between IFRS and statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and their tax bases. The tax effect of these temporary differences and unused tax loss carry forwards is disclosed below:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Intangible assets	− 5,480	− 2,105
Financial assets	− 3,812	− 650
Cash and cash equivalents in foreign currency	− 1,659	0
Accruals	10,692	11,025
Shares in associated companies and joint ventures	− 16,330	− 17,773
Deferred tax on tax loss carry forwards	8,398	5,771
Other	22	180
Net deferred tax assets (+) / liabilities (−)	**− 8,169**	**− 3,552**
Deferred tax assets and liabilities reported in balance sheet	**− 8,169**	**− 3,552**

Deferred income tax assets are recognized for tax loss carry forwards and deductible temporary differences to the extent that the realization of the related tax benefit through future taxable profits is probable or deferred tax liabilities are recognized. Deferred tax asset for tax loss carryforwards of EUR 8,398 thousand has therefore been recognized as of December 31, 2015 (previous year EUR 5,771 thousand) and due to deductible temporary differences deferred tax asset of EUR 10,692 thousand has therefore been recognized as of December 31, 2015 (previous year EUR 11,025 thousand). Deferred tax assets from deductible temporary differences amounting to EUR 106 thousand were not recognized.

Tax loss carry-forwards in Germany

In years of tax profits any tax loss carry-forward can be fully used up to an amount of EUR 1 million. Any excess tax profit will be reduced with remaining tax loss carry-forwards by 60%. Thus, 40% of all tax profits exceeding EUR 1 million will be subject to taxation.

As of December 31, 2015 and 2014, the parent company has corporate income tax loss carry forwards originated and generally usable in Germany in the amount of approximately EUR 86,157 thousand and EUR 40,148 thousand respectively, as well as current accumulated trade tax losses amounting to approximately EUR 88,825 thousand and EUR 41,180 thousand, respectively. As of December 31, 2015 and 2014, the parent company has unrecognized unused corporate income tax loss carry forwards originated and generally usable in Germany amounting to approximately EUR 69,936 thousand and EUR 22,855 thousand respectively, as well as current accumulated trade tax losses amounting to approximately EUR 72,603 thousand and EUR 22,886 thousand, respectively.

With regard to Germany, as of December 31, 2015 and 2014, the consolidated subsidiaries have current accumulated corporate income tax loss carry forwards originated and generally usable in Germany in the amount of approximately EUR 23,664 thousand (previous year EUR 34,546 thousand), as well as current accumulated trade tax losses amounting to approximately EUR 24,876 thousand (previous year EUR 36,352 thousand). The decrease of the tax loss carry forwards is mainly due to the deconsolidation of subsidiaries.

Tax loss carry-forwards in other countries

As of December 31, 2015 and 2014, the consolidated foreign subsidiaries have unrecognized unused accumulated corporate income tax loss carry forwards originated and generally usable in the respective jurisdictions in the amount of approximately EUR 91,507 thousand and EUR 88,421 thousand, respectively.

To a great extent the tax losses result from Luxemburgian subsidiaries amounting to EUR 25,762 thousand (previous year EUR 5,162 thousand), from Spanish subsidiaries amounting to EUR 21,706 thousand (previous year EUR 392 thousand), from British subsidiaries amounting to EUR 16,563 thousand (previous year EUR 2,106 thousand) and from Brazilian subsidiaries amounting to EUR 14,342 thousand (previous year EUR 64,583 thousand). The decrease in income tax loss carry forwards in comparison to the previous year primarily results from deconsolidation of subsidiaries. In the four mentioned countries, tax losses may be carried forward without any time limitation. Furthermore as of December 31, 2015 and 2014, the consolidated Mexican subsidiaries have unrecognized unused tax loss carry forwards of EUR 2,513 thousand and EUR 8,024 thousand, respectively. Losses incurred may be carried forward over a subsequent ten-year period.

The remaining tax losses of EUR 13,133 thousand as of December 31, 2015 include tax losses from various countries. Tax losses of EUR 4,085 thousand thereof expire within an eight-year period, EUR 1,335 thousand expire within nine years, EUR 2,686 thousand expire within 10 years and EUR 1,130 thousand expire within 20 years. The remaining EUR 3,897 thousand may be carried forward without any time limitation.

Tax loss carry forwards are subject to review and possible adjustment by the tax authorities. Furthermore, under current German tax laws, certain substantial changes in the entity ownership and business may further limit the amount of net operating loss carryforwards, which could be utilized annually to offset future taxable income. Given the number of significant mergers, exits, spin-offs and other reorganizational measures, particularly at the level of the Group, there can be no assurance that current tax losses and tax loss carry-forwards originated and generally usable in Germany or in other countries may have been partially or completely lost. As the majority of the consolidated operating subsidiaries has a loss history and continues to incur substantial tax losses, a full valuation allowance has been provided for the deferred tax assets to the extent it exceeds any tax liabilities.

Outside basis differences

Deferred tax liabilities on temporary differences related to measurement of shares in associated companies and joint ventures of EUR 14,961 thousand (previous year EUR 17,773 thousand) were offset against deferred tax assets arising from unused tax loss carry forwards of EUR 4,680 thousand (previous year EUR 5,521 thousand), and deferred tax assets from deductible temporary differences of EUR 7,161 thousand (previous year EUR 8,270 thousand).

The Group controls the reversal of temporary differences related to taxes chargeable on dividends from subsidiaries or on gains upon their disposal (“outside basis differences”). For temporary differences of EUR 32,901 thousand (previous year EUR 10,882 thousand) deferred tax liabilities are not recognized except to the extent that Management expects the temporary differences to reverse in the foreseeable future.

23 Earnings per Share

Basic earnings per share (EPS)

Basic earnings per share are calculated by dividing profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

As of January 1, 2015, subscribed capital amounted to EUR 153,131 thousand and was fully paid-in. The registered share capital was divided into 153,130,566 no-par value bearer shares.

On February 13, 2015, the subscribed capital of Rocket Internet SE was increased from EUR 153,130,566 to EUR 165,140,790, in partial utilization of the authorized capital and in exclusion of the subscription rights of shareholders. The 12,010,224 new ordinary bearer shares with no-par value have been sold to institutional investors in a private placement transaction.

Diluted earnings per share (EPS)

Diluted earnings per share are calculated by dividing profit or loss attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. The calculation of diluted earnings per share excludes potential ordinary shares that would have an antidilutive effect on earnings per share.

The following instruments were not taken into account when calculating diluted earnings per share as their effect would have been antidilutive. The stock options granted to the board members and certain employees in 2014 were not taken into account when calculating diluted earnings per share in 2014, since the performance targets necessary to exercise the options were not achieved at the end of the 2014 reporting period.

	Jan 1-Dec 31, 2015	Jan 1-Dec 31, 2014
Share options from SOP I/II (in thousands)	7,150	7,180
Potential ordinary shares from assumed conversion of convertible debt (in thousands)[1]	11,570	0

1) On July 22, 2015, Rocket Internet SE issued 5,500 convertible bonds with a principal amount of EUR 100,000 each. The convertible bond has a term of seven years and an interest rate of 3% p.a. payable semi-annually.

Earnings per share are calculated as follows:

	Jan 1-Dec 31, 2015	Jan 1-Dec 31, 2014
Profit attributable to equity holders of the parent (in EUR thousand)	−202,459	463,022
Weighted average number of ordinary shares in issue (in thousands)	163,722	143,022
Earnings per share (basic and diluted) in EUR	**−1.24**	**3.24**

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

Transactions involving ordinary shares between the reporting date and the date of the authorization of these financial statements

After the reporting period end (December 31, 2015) there were no transactions involving ordinary shares of the Company.

Notes to the Balance Sheet

24 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

	Leasehold improvements	Other property, plant and equipment	Total
		In EUR thousand	
Cost			
As of Jan 1, 2014	**433**	**2,638**	**3,070**
Additions	136	3,521	3,657
Disposals	−31	−1,010	−1,041
Changes in the basis of consolidation	2	−1,252	−1,250
Reclassified to assets held for sale	0	−211	−211
Currency translation difference	1	7	8
As of Dec 31, 2014	**541**	**3,693**	**4,234**
Additions	439	3,161	3,601
Disposals	−138	−666	−804
Changes in the basis of consolidation	−39	−1,911	−1,949
Reclassified to assets held for sale	0	−380	−380
Currency translation difference	−3	−215	−219
As of Dec 31, 2015	**800**	**3,683**	**4,483**
Depreciation and impairment			
As of Jan 1, 2014	**−5**	**−664**	**−669**
Depreciation charge for the year	−168	−1,047	−1,215
Disposals	1	359	359
Changes in the basis of consolidation	6	263	269
Reclassified to assets held for sale	0	149	149
Currency translation difference	0	3	3
As of Dec 31, 2014	**−166**	**−938**	**−1,104**
Depreciation charge for the year	−359	−1,138	−1,497
Disposals	10	117	127
Changes in the basis of consolidation	79	523	602
Reclassified to assets held for sale	0	166	166
Currency translation difference	2	46	48
As of Dec 31, 2015	**−434**	**−1,223**	**−1,657**
Net book value			
As of Jan 1, 2014	**428**	**1,974**	**2,401**
As of Dec 31, 2014	**375**	**2,755**	**3,131**
As of Dec 31, 2015	**366**	**2,460**	**2,826**

On December 31, 2015 and 2014, no property and equipment was pledged to third parties as collateral.

25 Intangible Assets

Intangible assets developed as follows during the financial years 2014 and 2015:

	Goodwill	Internally generated intangible assets	Purchased industrial and similar rights	Total
	In EUR thousand			
Cost				
As of Jan 1, 2014	**0**	**5,985**	**1,440**	**7,425**
Additions	0	2,569	2,295	4,864
Disposals	0	0	−36	−36
Changes in the basis of consolidation	0	0	−1,069	−1,069
Reclassified to assets held for sale	0	0	−6	−6
Currency translation difference	0	1	2	3
As of Dec 31, 2014	**0**	**8,555**	**2,625**	**11,181**
Additions	0	5,719	2,258	7,977
Disposals	0	−392	−1,813	−2,205
Changes in the basis of consolidation	117,411	−1,100	22,198	138,510
Reclassified to assets held for sale	0	−1,128	−41	−1,169
Currency translation difference	0	0	−80	−80
As of Dec 31, 2015	**117,411**	**11,656**	**25,147**	**154,214**
Amortization and impairment				
As of Jan 1, 2014	**0**	**−703**	**−152**	**−855**
Amortization charge for the year	0	−1,151	−287	−1,438
Disposals	0	0	−3	−3
Changes in the basis of consolidation	0	0	140	140
Reclassified to assets held for sale	0	0	0	0
Currency translation difference	0	0	0	0
As of Dec 31, 2014	0	**−1,854**	**−302**	**−2,156**
Amortization charge for the year	0	−3,387	−2,387	−5,774
Impairment	−18,050	0	0	−18,050
Disposals	0	117	82	199
Changes in the basis of consolidation	0	0	226	226
Reclassified to assets held for sale	0	458	4	462
Currency translation difference	0	0	6	6
As of Dec 31, 2015	**−18,050**	**−4,666**	**−2,371**	**−25,087**
Net book value				
As of Jan 1, 2014	**0**	**5,282**	**1,288**	**6,570**
As of Dec 31, 2014	**0**	**6,701**	**2,323**	**9,024**
As of Dec 31, 2015	**99,361**	**6,990**	**22,776**	**129,127**

As of December 31, 2015 and 2014, no intangible assets have been pledged to third parties as collateral.

Goodwill impairment testing

For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs) (network companies) as follows (2014: there was no goodwill recognized in the Group).

	Dec 31, 2015
	In EUR thousand
Pizzabo.it	30,847
La Nevera Roja	66,737
	97,584
Other units without significant goodwill	1,777
Total	**99,361**

The following impairment loss was recognized in relation to the goodwill:

	2015
	In EUR thousand
Pizzabo.it	14,400
La Nevera Roja	3,650
Total impairment loss recognized	**18,050**

The Management Board estimated the recoverable amount of these CGUs as part of the mandatory impairment testing following the acquisition of these CGUs during the current annual period.

The recoverable amounts of Pizzabo.it and La Nevera Roja were based on the fair value less costs of disposal estimated using the sales prices agreed on in the disposal transactions of these entities in February 2016. It was assumed that the transaction prices agreed on in the sale transactions were a reasonable approximation of the fair value of the respective CGUs at the impairment testing date, December 31, 2015. The fair value measurement was categorized as a Level 3 fair value (see Note 41).

The carrying amounts of Pizzabo.it and La Nevera Roja were determined to be higher than their recoverable amounts of EUR 36,375 thousand and EUR 75,625 thousand and an impairment loss was recognized.

The impairment loss was fully allocated to goodwill and included in the reportable segment "Other".

26 Non-Current Financial Assets

Non-current financial assets comprise the following:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Equity instruments at FVTPL	322,349	336,547
AFS Equity investments	999,116	0
Loan receivables	8,692	39
Other	3,027	1,944
Total non-current financial assets	**1,333,184**	**338,530**

For additional information regarding Equity instruments accounted for at fair value through profit or loss and AFS Equity investments see Note 41.

27 Inventories

Inventories are mainly comprised of merchandise.

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Gross inventories	743	11,532
Write-down	0	−294
Total inventories	**743**	**11,238**

Except for customary retention of proprietary rights, all inventories are free from rights of third parties.

28 Trade Receivables

Trade receivables comprise the following:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Trade receivables from third parties	3,170	7,981
Trade receivables from subsidiaries (outside consolidation)	941	671
Trade receivables from associated companies and joint ventures	5,974	12,096
Trade receivables	**10,085**	**20,748**

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Gross trade receivables	10,810	21,460
Valuation allowance	−725	−712
Trade receivables	**10,085**	**20,748**

The aging analysis of trade receivables is as follows:

	Book value	Not past due and not impaired	Past due, but not impaired 1 – 30 days	31 – 90 days	91 – 180 days	> 180 days	Impaired receivables (gross)	Impairment amount
	In EUR thousand							
Dec 31, 2015	10,085	7,126	1,140	1,045	427	347	725	−725
Dec 31, 2014	20,748	20,433	144	36	48	87	712	−712

Valuation allowances on trade receivables developed as follows:

	Valuation allowance
	In EUR thousand
As of Jan 1, 2014	**−716**
Additions	−44
Reversal	34
Change in scope of consolidation	14
As of Dec 31, 2014	**−712**
Additions	−205
Usage	186
Reversal	6
As of Dec 31, 2015	**−725**

29 Other Current Financial Assets

Other current financial assets comprise the following:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Loan receivables from associated companies and joint ventures	33,307	7,857
Loan receivables from subsidiaries (outside consolidation)	1,328	1,991
Receivables from the sale of investments	2,543	1,930
Loan receivables from third parties	545	0
Security deposits	625	1,872
Other financial assets (current)	2,913	1,445
Total other current financial assets	**41,260**	**15,095**

The aging analysis of other current financial receivables is as follows:

	Book value	Not past due and not impaired	Past due, but not impaired 1 – 30 days	31 – 90 days	91 – 180 days	> 180 days	Impaired receivables (gross)	Impairment amount
	In EUR thousand							
Dec 31, 2015	41,260	34,169	88	45	1,052	5,906	19	−19
Dec 31, 2014	15,095	14,554	188	58	38	257	19	−19

30 Non-Financial Assets

Non-financial assets comprise the following:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Prepayments on shares in associated companies	0	3,764
Other prepayments	33	20
Tax receivables	89	0
Other non-financial assets (non-current)	400	374
Other non-current non-financial assets	**523**	**4,158**
Receivables from sales tax / VAT	2,623	3,942
Prepaid expenses	1,793	3,338
Prepayments	172	385
Other non-financial assets (current)	657	310
Other current non-financial assets	**5,246**	**7,975**
Total Non-financial assets	**5,768**	**12,133**

31 Cash and Cash Equivalents / Consolidated Statement of Cash Flows

Cash and cash equivalents comprise the following:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Bank balances	1,758,870	2,053,206
Checks	1	230
Petty cash	18	12
Cash and cash equivalents	**1,758,889**	**2,053,448**

Additional information to the consolidated statement of cash flows

Non-consolidated equity investments

Non-consolidated equity investments specified in the consolidated statement of cash flows relate to investments in associates and joint ventures, prepayments on shares in associates and other investments in which Rocket Internet directly or indirectly holds less than 20% of the outstanding voting rights or in which the Group has no significant influence as well as non-material subsidiaries.

Non-cash investing and financing activities and transactions

In the financial year 2015, non-cash investing and financing activities and transactions of EUR 217,852 thousand were performed. This relates primarily to the acquisition of new shares in Global Fashion Group in exchange for shares in Kanui (Jade 1159. GmbH and its subsidiaries VRB GmbH & Co. KG B-195 and Kanui Comercio Varejista Ltda.) and in Tricae (Jade 1218. GmbH and its subsidiaries VRB GmbH & Co. B-196 KG and Trica Comercio Varejista Ltda.), as well as the exchange of shares in Yemek Sepeti for shares in Delivery Hero. Furthermore, the Group contributed shares in LIH Subholding Nr. 3 UG (haftungsbeschränkt) & Co. KG in exchange for new shares of the Carmudi Global S.à r.l., while the LIH Subholding Nr. 4 UG (haftungsbeschränkt) & Co. KG was contributed into Lamudi Global S.à r.l. in exchange for shares in this company. The Crowd Lending Platform Zencap Global S.à r.l. was exchanged for shares in Funding Circle Holding Limited.

Significant non-cash investing and financing activities and transactions in 2014 comprised the exchange of shares in the fully consolidated LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG (including its 13 subsidiaries) against shares in Emerging Markets Online Food Delivery Holding S.à r.l. accounted for at fair value, as well as the acquisition of shares in Global Fashion Group S.A. (established in 2014) through a contribution in kind of shares in Bigfoot GmbH. In August 2014, the parent company increased its capital and used the new shares in two instances to acquire additional participations. Firstly, Rocket Internet received from Holtzbrinck Ventures shares in the following participations: Bigfoot GmbH, BGN Brillant Services GmbH, Home24 GmbH and Westwing Group Holding GmbH. Secondly, United Internet AG and Global Founders GmbH contributed an existing portfolio of more than 50 equity interests in companies into Rocket Internet SE. For further information reference is made to Note 33.

Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks shown in the consolidated balance sheet and assets held for sale. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheet as follows:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Balance sheet line item cash and cash equivalents	1,758,889	2,053,448
Cash and bank balances included in the assets held for sale	9,710	0
Cash and cash equivalents	**1,768,599**	**2,053,448**

32 Assets Classified as Held for Sale and Liabilities Associated with Assets Classified as Held for Sale

The Group's basis of consolidation as well as the shares held in subsidiaries or associated companies change each financial period. Usually, Rocket Internet has control and applies full consolidation when an enterprise is founded. In subsequent financing rounds, the enterprises attract the equity necessary to further extend operations from Rocket Internet as well as from other external investors. This means that Rocket Internet's direct and indirect share in the entities decreases over time.

In some cases, an agreement with new investors is signed before the balance sheet date, but executed after the balance sheet date. When such an agreement results in the loss of control of Rocket Internet over a subsidiary and the loss of control is highly probable, all related assets and liabilities that will leave the Group as a result of the agreement are shown as assets classified as held for sale and liabilities associated with assets classified as held for sale.

Assets classified as held for sale and liabilities associated with assets classified as held for sale comprise the following:

Dec 31, 2015	Spotcap	Other	Total
	In EUR thousand		
Intangible assets	395	9	404
Property, plant and equipment	54	86	140
Financial assets	13	13	26
Other non-current assets	130	0	130
Non-current assets	**593**	**107**	**700**
Inventories	0	23	23
Trade receivables	1	853	854
Other current financial assets	4,619	1,076	5,695
Other current non-financial assets	68	40	108
Cash and cash equivalents	5,898	3,812	9,710
Current assets	**10,586**	**5,804**	**16,390**
Assets classified as held for sale	**11,179**	**5,911**	**17,090**
Other non-current financial liabilities	50	0	50
Other non-current non-financial liabilities	53	0	53
Non-current liabilities	**103**	**0**	**103**
Current loans	3,989	0	3,989
Current bank liabilities	0	144	144
Trade payables	390	1,930	2,320
Other current financial liabilities	25	0	25
Other current non-financial liabilities	90	879	970
Current liabilities	**4,493**	**2,953**	**7,446**
Liabilities directly associated with assets classified as held for sale	**4,596**	**2,953**	**7,549**

An increase of capital of the online loan platform Spotcap Global S.à r.l. was conducted by external investors in December 2015, which resulted in a dilution of Rocket Internet's interest to less than 50%. Current loan liabilities from Spotcap are secured by bank accounts in the amount of EUR 1,552 thousand.

A capital increase of Bus Serviços de Agendamento Ltda. was decided upon in October 2015, as a result of which the Group will hold a share of 50%. The relevant articles of association were signed in November 2015. The transaction is expected to be concluded (closing) in the second quarter of 2016.

In accordance with the contract dated December 16, 2015, the sale of Bonnyprints GmbH to Planet Cards SAS was agreed. The transaction was completed on January 19, 2016 (closing).

Dec 31, 2014	Total
	In EUR thousand
Shares in associates	212
Non-current assets	**212**
Other current financial assets	3,667
Current assets	**3,667**
Assets classified as held for sale	**3,879**

In August 2014, as a part of the portfolio contribution of the Global Founders Capital funds, the Group acquired shares in Playa Games GmbH. The shares were sold in July 2014 (signing). The closing of the transaction was concluded in May 2015. In December 2014, Philippine Long Distance Telephone Company (PLDT) and Rocket Internet entered into an agreement to establish a Joint Venture for payment services with a focus on emerging markets, with each partner holding a 50% stake. The closing of the transaction was in February 2016.

Cumulative income or expense recognized in other comprehensive income relating to assets and liabilities classified as held for sale amounted to EUR 0 thousand (previous year: EUR 0 thousand).

Disposal groups that meet the criteria of IFRS 5 to be classified as held for sale after the reporting date, but before the date of authorization of the financial statements for issue

Rocket Internet SE announced the divestiture of two non-core takeaway food operations to JustEat plc on February 5, 2016. Rocket Internet sold La Nevera Roja in Spain and Pizzabo.it in Italy. The transaction in Italy was completed on the day of announcement (closing). It is anticipated that the transaction in Spain will be completed in the second or in the third quarter of 2016 (closing), as it is subject to regulatory approval from the Spanish competition authority, the Comisión Nacional de los Mercados y la Competencia. Had the criteria in paragraphs 7 and 8 of IFRS 5 been already met before reporting period end on December 31, 2015, the following assets and liabilities would have been classified as held for sale:

Dec 31, 2015	Webs S.r.l. (Pizzabo.it)	Grupo Yamm Comida a Domicilio S.L. (La Nevera Roja)	Total
		In EUR thousand	
Goodwill	30,847	66,737	97,584
Other intangible assets	7,625	12,668	20,293
Other non-current assets	374	476	850
Non-current assets	**38,845**	**79,881**	**118,727**
Other current assets	635	984	1,619
Cash and cash equivalents	449	1,460	1,909
Current assets	**1,084**	**2,444**	**3,528**
Assets classified as held for sale	**39,930**	**82,326**	**122,255**
Non-current liabilities	**1,547**	**3,607**	**5,154**
Current liabilities	**1,177**	**3,122**	**4,299**
Liabilities directly associated with assets classified as held for sale	**2,724**	**6,729**	**9,453**

33 Share Capital and Reserves

As of January 1, 2014, the share capital amounted to EUR 110 thousand and treasury shares amounted to EUR 43,050 in the Consolidated Financial Statements. The capital reserve amounted to EUR 490,707 thousand and included effects from payments by non-controlling interests of a total of EUR 13,312 thousand.

Based on a resolution passed at the shareholders' meeting on February 4, 2014, the Company's nominal capital was increased in exchange for non-cash contribution by EUR 546 to EUR 110,346. In conjunction with this capital increase, the shareholders agreed to convert a liability to a shareholder in equity resulting in an increase of the capital reserve by EUR 14,477 thousand.

In May 2014, the shareholders agreed on a combined distribution of cash and distribution in kind (distribution in advance). Consequently, Rocket Internet SE transferred by way of a separate share transfer agreement shares in two associates to Emesco AB and AI European Holdings S.à r.l. The carrying amount of the transferred shares amounted to EUR 92,640 thousand. The fair value of the distributed shares amounted to EUR 153,234 thousand. Global Founders GmbH received a cash dividend of EUR 286,766 thousand. The distributions were made by withdrawing EUR 270,483 thousand from the capital reserves.

In August 2014, 38,579 treasury shares were redeemed in a simplified redemption process pursuant to Sec. 237 (3) No. 3 AktG (without capital decrease).

In the course of the capital increase resolution dated August 22, 2014, (I) capital reserves amounting to EUR 33 thousand were converted into share capital.

By the capital increase resolution dated August 22, 2014, (II) the share capital was increased by EUR 16 thousand by issuance of new no-par value registered shares to PLDT Online Investments PTE.LTD. (PLDT) in exchange for a cash contribution. In the course of the capital increase resolution dated August 22, 2014 (II) allocations to the capital reserve in the amount of EUR 333,326 thousand were made by PLDT as a consequence of additional paid-in capital for the acquisition of new shares.

By the capital increase resolution dated August 22, 2014, (III) the share capital was increased by EUR 26 thousand by issuance of new no-par value registered shares to United Internet and Global Founders in exchange for cash contributions. In the course of the capital increase resolution dated August 22, 2014 (III) allocations to the capital reserve in the amount of EUR 333,326 thousand were made as a contribution in cash by United Internet and EUR 255,000 thousand as a contribution in kind by United Internet and Global Founders. In total EUR 588,326 thousand were made as a consequence of additional paid-in capital for the acquisition of new shares.

By the capital increase resolution dated August 22, 2014, (IV) the share capital was increased by EUR 5 thousand by issuance of new no-par value registered shares to Holtzbrinck in exchange for cash contributions. In the course of the capital increase resolution dated August 22, 2014, (IV) allocations to the capital reserve in the amount of EUR 126,033 thousand were made by Holtzbrinck as a consequence of additional paid-in capital for the acquisition of new shares.

By the capital increase resolution dated August 22, 2014, (V) the share capital of the Company was increased by EUR 119,913 thousand via the capital increase by conversion of a capital reserve.

In the course of the initial public offering on October 2, 2014, the Group issued 33,028,311 new shares with a notional value of EUR 1 per share.

In the course of the initial public offering (IPO) on October 2, 2014, a share premium in the amount of EUR 1,370,675 thousand was realized and allocated to the capital reserve. In connection with the IPO, Rocket Internet SE incurred transaction costs directly attributable to the raising of capital amounting to EUR 34,423 thousand, net of the income tax benefit associated with this in the amount of EUR 5,521 thousand. This was recognized as a deduction from the capital reserve. As of December 31, 2014, EUR 25,081 thousand of the total amount of the transaction costs had been paid.

As of December 31, 2014, subscribed capital amounted to EUR 153,131 thousand and was fully paid-in. The registered share capital was divided into 153,130,566 no-par value bearer shares. As of December 31, 2014, no treasury shares were held.

On February 13, 2015, the subscribed capital of Rocket Internet SE was increased from EUR 153,130,566 to EUR 165,140,790 in partial utilization of the authorized capital and in exclusion of the subscription rights of shareholders. The 12,010,224 new ordinary bearer shares with no-par value have been sold to 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 588,501 thousand (before transaction costs). In connection with the capital increase, Rocket Internet incurred transaction costs directly attributable to the raising of capital, amounting to EUR 2,852 thousand, before income tax benefit associated with this in the amount of EUR 846 thousand. This was recognized as a deduction from the capital reserve.

On July 22, 2015, Rocket Internet SE issued a convertible bond which increased the capital reserves by EUR 37,659 thousand. In connection with the issue, Rocket Internet SE incurred directly attributable transactions costs of EUR 188 thousand, before the income tax benefit associated with these costs in the amount of EUR 56 thousand. For more information, please, refer to Note 35.

As of December 31, 2015, the subscribed capital amounted to EUR 165,141 thousand and was fully paid-in. The registered share capital is divided into 165,140,790 no-par value bearer shares. As of December 31, 2015, no treasury shares were held.

In addition, there has been an adjustment of deferred taxes from previous years, impacting the capital reserve with EUR −1,744 thousand.

During the financial year 2015, the capital reserves increased by EUR 622,833 thousand from EUR 2,482,643 thousand to EUR 3,105,477 thousand.

The changes in the equity-settled share-based payments (IFRS 2) are explained in the table below and are driven by increases in the reserve through the income statement, the deconsolidation of entities and allocation to non-controlling interests.

Equity-settled share-based payments recognized as increase/decrease in equity comprise the following:

	2015	2014
	In EUR thousand	
Equity-settled share-based payments recognized as employee benefit expenses of the period	57,952	51,295
Changes due to deconsolidation and allocation to non-controlling interests	−4,057	−14,046
Equity-settled share-based payments (IFRS 2) as presented in consolidated statement of changes in equity	**53,895**	**37,249**

Changes in Other components of equity, which are attributable to both, the equity holders of the parent company and to the non-controlling interest, comprise the following:

	Other components of equity				
	Foreign currency differences	Associates and Joint Ventures	Available-for-Sale Assets	Other	Total
	In EUR thousand				
Dec 31, 2013	**568**	**8,240**	**0**	**321**	**9,129**
Net other comprehensive income in 2014	−455	79,017	0	−321	78,241
Dec 31, 2014	113	87,258	0	0	87,371
Net other comprehensive income in 2015	−1,144	−97,544	135,119	0	36,431
Other changes in 2015	0	630	0	0	630
Dec 31, 2015	**−1,031**	**−9,657**	**135,119**	**0**	**124,431**

Authorization 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 by the issuance of up to 60,051,127 new no-par value bearer shares with the value of EUR 1 against contributions in cash or in kind (Genehmigtes Kapital 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 (Genehmigtes Kapital 2015).

34 Distributions Made and Proposed

During the financial year 2015, no dividends were declared or paid to the shareholders of the parent Company, however a fully consolidated subsidiary paid a cash dividend of EUR 8,033 thousand to a non-controlling shareholder.

Dividends declared and paid to the shareholders of the parent during the financial year 2014 were as follows:

	2014
	In EUR thousand (except per share data)
Dividends payable as of Jan 1	**0**
Dividends declared during the year	440,000
Dividends paid during the year	−440,000
Dividends payable as of Dec 31	**0**
Dividends per share declared during the year (in EUR per share)[1)]	**2.87**

1) Calculated based on 153,130,566 ordinary shares outstanding and issued as of December 31, 2014.

In the second quarter of 2014, the shareholders resolved a EUR 440,000 thousand advance combined dividend in kind and in cash. Following the resolution, Rocket Internet transferred 4,145 and 1,892 shares in Bigfoot GmbH to Emesco AB and AI European Holdings S.à r.l., respectively, as well as 4,559 and 2,082 shares in BGN Brillant Services GmbH to Emesco AB and AI European Holdings S.à r.l., respectively. The fair value of the distributed shares amounted to EUR 153,234 thousand. In addition, a cash dividend of EUR 286,766 thousand was paid in accordance with the proportional participation of shareholders to Global Founders GmbH.

Non-cash distribution of the shares in the associated companies was measured at fair value and gave rise to the following gain:

	2014
	In EUR thousand
Fair value of the distributed shares	153,234
Less carrying amount prior to distributions (at equity method)	92,640
Gain from distribution of non-cash assets to owners	**60,594**

35 Non-Current Financial Liabilities

Non-current financial liabilities comprise the following:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Liabilities from convertible bonds	511,968	0
Mandatorily redeemable preference shares issued by consolidated subsidiaries	5,950	4,950
Contingent consideration	7,622	0
Other financial liabilities	1,358	365
Total non-current financial liabilities	**526,898**	**5,315**

Convertible bonds

On July 22, 2015, Rocket Internet SE issued 5,500 convertible bonds with a principal amount of EUR 100,000 each. The convertible bond has a term of seven years and an interest rate of 3% p.a. payable semi-annually on January, 22 and July, 22.

The contractual cash flows from the convertible bonds are affected by the option of the bondholders of exchanging convertible bonds in the nominal amount of EUR 100,000 for 2,103.6909 shares in Rocket Internet SE. The conversion price is EUR 47.5355.

As of the issue date, the convertible bonds had an aggregate fair value of EUR 550,000 thousand. The fair value of the aggregate convertible bond portfolio is determined based on the market prices quoted on the Frankfurt Stock Exchange for the convertible bonds. The market price was 92% as of December 31, 2015.

The convertible bonds were divided into an equity component and a debt component on the issue date. The fair value of the debt component was determined by discounting the future payment flows while taking into account a market interest rate of 3.51% for a comparable debt instrument.

The bond conversion option was recognized in equity at a residual value of EUR 37,659 thousand upon issue of the bond. This was offset by transaction costs of EUR 188 thousand allocable to the equity instrument, which were charged to reserves. Furthermore, deferred tax assets of EUR 56 thousand were recognized in equity. The proportion of the equity component does not change over the term to maturity.

The debt component is reported at amortized cost using the effective interest method. As of December 31, 2015, the long-term portion of the debt component was EUR 511,968 thousand.

In the period under review, interest in the amount of EUR 9,431 thousand accrued on the convertible bonds.

Interest payable on the convertible bonds reported as other current liabilities came to EUR 7,242 thousand as of the reporting date.

36 Trade Payables

As of December 31, 2015, trade payables amount to EUR 11,398 thousand (previous year EUR 43,703 thousand).

37 Other Current Financial Liabilities

Other current financial liabilities comprise the following:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Loan liabilities	3,523	7,290
Convertible bond (current)	7,242	0
Bank liabilities	12	164
Refund liability for sales with a right of return	0	1,153
Other financial liabilities	978	1,454
Total other current financial liabilities	**11,754**	**10,061**

38 Non-Financial Liabilities

Other current non-financial liabilities comprise the following:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Personnel liabilities	2,600	2,930
Liabilities from cash-settled share-based payments and similar liabilities	67,597	60,530
Tax liabilities	3,656	4,176
Advance payments received	518	1,358
Deferred income	11	919
Other non-financial liabilities	2,876	1,961
Other current non-financial liabilities	**77,258**	**71,874**
Other non-current non-financial liabilities	**398**	**498**
Total non-financial liabilities	**77,656**	**72,372**

Liabilities from cash-settled share-based payments relate to employees as well as to others providing similar services (as defined in IFRS 2 and IAS 19).

39 Share-Based Compensation

The Group operates share-based compensation arrangements for eligible and selected directors, employees or others providing similar services to the Group ("a participant" or "participants"). These arrangements consist of four different types of awards:

- I. Share options in the Company,
- II. Ordinary shares in subsidiaries,
- III. Share options in subsidiaries or
- IV. Cash settled awards.

I. Share options in the Company (Stock Option Programs 2014)

Under the Stock Option Programs 2014 ("SOP I" and "SOP II"), one share option grants the holder the right to subscribe for one share of the Company.

All share options under the SOP I were granted to the Company's CEO after the listing of the Company's shares on the Open Market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse or the 'Open Market'*) on October 2, 2014. These share options have an exercise price of EUR 42.63 per share option and will vest in monthly installments over a five-year vesting period and can be, subject to certain conditions, exercised after a waiting period of four years commencing on the date the share options were granted.

The options granted under the SOP I can only be exercised if:

(i) the Company successfully launches an average of at least four companies per year during the four-year waiting period; and

(ii) the stock price reflects, on at least one single trading day within the waiting period, a Company valuation of EUR 6.45 billion.

Under the SOP II, the Supervisory Board is authorized to grant up to 1,201,022 share options to each of the other two members of the Managing Board (i.e. the CFO and the General Managing Director), up to 1,201,023 share options to certain employees of the Company, up to 3,002,557 share options to members of the management of affiliated companies, and up to 600,511 share options to certain employees of affiliated companies. In 2015, a total of 80,000 options were granted under SOP II.

The SOP II provides for an overall ten-year vesting period with a certain number of share options vesting after an initial four-year vesting term and the remaining share options vesting in yearly installments thereafter. The share options can be, subject to their vesting and certain other conditions, exercised after a four-year waiting period commencing on the date the respective share options are granted.

The exercise price of the share options granted prior to listing of the Company's shares in the Open Market amounts to EUR 26.14 per share option. For share options granted subsequent to the listing of the Company's shares in the Open Market the exercise price per share option corresponds to the volume-weighted average closing price of the shares twenty consecutive trading days prior to the relevant grant date.

The exercise of share options under the SOP II requires that:

(i) the shares of the Company are included in the Open Market until October 31, 2014; and

(ii) the Company successfully launches an average of at least four companies per year during the four-year waiting period.

If the performance targets are not achieved by the end of the waiting period, the share options granted under the Stock Option Programs 2014 will forfeit completely without any further consideration. In addition, the share options are only exercisable within three weeks after publication of financial interim reports or financial statements, which follow the end of the waiting period.

The table below provides an overview of the movements in the share option awards, which entitle the employee to purchase shares in Rocket Internet SE if the vesting conditions are met, and their respective weighted average exercise prices:

	2015		2014	
Share options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**	**Number of options**
Options outstanding at January 1	**EUR 36.57**	**7,180,488**	**—**	**—**
Granted during the period	EUR 26.31	80,000	EUR 36.57	7,180,488
Forfeited during the period	EUR 26.14	110,834	—	0
Exercised during the period	—	—	—	0
Options outstanding at December 31	**EUR 36.62**	**7,149,654**	**EUR 36.57**	**7,180,488**
Exercisable at the end December 31	—	—	—	—

The weighted average remaining contractual life for the share options outstanding as of December 31, 2015, is 5.7 years (December 31, 2014: 6.7 years).

The parameters applied in the Black Scholes option valuation formula and the related estimated fair values per share option are as follows as measured on the grant dates in 2015 and 2014:

	2015 SOP II	2014 SOP II
Fair value (EUR per Option)	18.22	27.81
Share price (EUR per Share)	31.14	42.50
Exercise price (EUR per Share)	26.31	26.14
Expected volatility (%)	46.09	45.00
Dividend yield (%)	0.00	0.00
Risk-free interest rate (%)	0.50	0.90
Expected life of share options (years)	10.00	10.00

The average of the vesting period and the contractual expiration date is considered the expected life for all options granted in 2015.

II. Ordinary shares in subsidiaries

The respective share-based payment arrangements provide for equity participation via a trust relationship. The trustee entity holds a certain amount of shares in accordance with the terms and conditions of a trust agreement for the benefit of the trustor, who can be the participant or an investment entity controlled by such a participant. A separate agreement, between the trustor and the relevant company receiving services, governs certain obligations regarding, inter alia, vesting-rights and non-compete obligations that relate to the indirect shareholding of the relevant participant in the relevant company.

The vesting scheme, which is dependent on time and subject to continued services, provides for quarterly vesting over a period of typically four years (6.25% per quarter) and typically a 6-month or 12-month cliff. If a leaver event occurs prior to the expiration of the cliff period, typically all shares can be clawed back. Thereafter, in the case of a bad leaver event, the Company can usually claw back all vested and unvested shares, while in case of a good leaver event, the Company may only claw back the unvested shares. A bad leaver event is typically triggered, if, for example, the respective service agreement between a participant and subsidiary is terminated by such company for cause, the participant demonstrably committed a criminal offence against the company, or such member breached its non-compete obligation. A good leaver event is typically triggered, if, for example, the service agreement is terminated by either party without cause.

Shares in subsidiaries of the Group have been issued to participants at the nominal value of the shares of EUR 1. If the applicable vesting conditions are not met (typically if a participant's employment is terminated), Rocket Internet SE or a subsidiary has a right to reacquire these shares at the nominal value or – if lower – at market value.

Movements in the number of shares are as follows:

	2015	2014
Number of unvested shares at January 1	**3,727**	**7,055**
Deconsolidation of subsidiaries	−2,804	−3,927
Granted during the period	5,555	5,772
Vested during the period	−1,397	−4,577
Forfeited during the period	−623	−596
Number of unvested shares at December 31	**4,458**	**3,727**
Number of vested shares at December 31	13,959	12,562

The share prices for subsidiaries were estimated using the shares prices paid by investors in past financing rounds. Given that a subsidiary has multiple classes of equity, we employed the hybrid method in order to allocate equity to the various equity classes. The Finnerty Option Pricing Model was used to calculate a liquidity discount for the shares. Based on the estimated fair market value of the relevant shares, the total price paid by the participants for the shares (EUR 1 per share) included a purchase discount. The fair value of the share awards reported as a share-based payment expense is calculated as the difference between the estimated fair value and the price paid for the shares.

The weighted average grant date fair value of the shares awarded during 2015 amounts to EUR 0 (previous year EUR 1,977).

III. Share options in subsidiaries

Call option arrangements entitle participants to acquire a pre-defined number of shares in the relevant subsidiary. The call options usually vest subject to continued services at quarterly intervals during a 3-year period (8.33% per quarter) or a 4-year period (6.25% per quarter); typically following a 12-month cliff vesting. In certain cases a 6-month cliff vesting applies and in a few cases there is no cliff vesting.

Under certain call option agreements (and if certain conditions are met), approximately one third of all call options vest upon the later of (i) the occurrence of a change of control event or (ii) 4 years after the first call options were granted. In the case of a change of control event in relation to the subsidiary, the relevant subsidiary is entitled to request that relevant participants exercise all call options outstanding at such point in time. Upon the occurrence of a bad leaver event, all call options that have not been exercised lapse. In the case of a good leaver event, all call options lapse for which the exercise period has not yet commenced.

Movements in the number of shares options and their related weighted average exercise prices are as follows:

	2015		2014	
	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares
Outstanding options at January 1	**EUR 1.00**	**6,601**	**EUR 1.00**	**8,798**
Deconsolidation of subsidiaries	EUR 1.00	−6,306	EUR 1.00	−8,284
Granted during the year	EUR 1.00	3,341	EUR 1.00	6,087
Exercised during the year	EUR 1.00	−18	EUR 1.00	0
Forfeited during the year	EUR 1.00	−162	EUR 1.00	0
Outstanding options at December 31	**EUR 1.00**	**3,457**	**EUR 1.00**	**6,601**
Exercisable at December 31	EUR 1.00	3,036	EUR 1.00	2,432

The contractual lives for the options are not specified in the option agreements. As a result, the weighted average remaining contractual life for the options outstanding at the reporting date is dependent on future exit events. In accordance with individual agreements, the outstanding options have an exercise price of EUR 1 per share.

As the options granted have an exercise price of EUR 1 per share, the fair values of the options are equal to their intrinsic values. Accordingly, the main parameters applied are as follows:

	2015	2014
Range of share prices (EUR per share)	0 - 28,759	56 - 26,203
Exercise price (EUR per share)	1	1

The weighted average grant date fair value of the options granted during 2015 amounts to EUR 1,890 (i.e. within the range of EUR 0 and EUR 28,759) per share. In some cases, the grant date fair values have been estimated because the option agreements have not yet been finalized.

The consolidated subsidiaries' share prices were estimated using the share price paid by investors in past financing rounds. Given that a subsidiary has multiple classes of equity, we employed the hybrid method in order to allocate equity to the various equity classes. The Finnerty Option Pricing Model was used to calculate a liquidity discount for the shares.

IV. Cash settled awards

This type of share-based payment award granted by certain group companies allows the participants to participate in exit related cash payments via call option arrangements. The notional value and the actual distribution of the relevant call options to the participants are determined by the relevant company's management and are subject to certain shareholders' approvals. The participants are entitled to a cash payment amounting to the difference between the exercise price of the call options and the exit proceeds allocated to each share underlying the call options in case of a change of control or listing of the subsidiary on a stock exchange.

The carrying amount and the total intrinsic value of the liability from cash-settled awards as of December 31, 2015 was EUR 64,141 thousand (December 31, 2014: EUR 48,144 thousand). All cash settled awards had vested as of December 31, 2015 and 2014, respectively.

Total expense arising from share-based payment transactions

The expense recognized for employee services received during the year is shown in the following table:

	2015	2014
	In EUR thousand	
Equity-settled share-based payments	57,952	51,295
Cash-settled share-based payments	14,739	16,690
Total share-based payment expense	**72,691**	**67,985**

40 Financial Risk Management

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. The Group's main risks arising from existing financial instruments relate to credit risk, liquidity risk, currency risk and share price risk.

The major financial instruments of Rocket Internet Group are cash (35% of total assets; previous year 52%), available-for-sale financial assets (20% of total assets; previous year 0%), equity instruments at fair value through profit and loss (FVTPL) (6% of total assets; previous year 9%) 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 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. No financial derivatives are utilized.

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 (AFS) or at fair value through profit or loss (FVTPL).

Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk, liquidity risk and share price risk. The primary objectives of the financial risk management function are 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.

Risk management is carried out by a central treasury department under control of managing directors. The Management Board establishes the principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk and investment of excess liquidity.

Credit Risk

Credit risk 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 credit risk comprises the direct risk of a default and the decrease in the credit worthiness as well as the concentration of credit risks.

The credit risk exists for all financial assets in particular for deposits, receivables from associates and trade receivables. The Group's receivables are unsecured. The maximum credit risk 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 by 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 and evaluated by the Group. The investment of term deposits takes place with banks that are members of the respective bank deposit protection funds and/or 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 credit risk of receivables from associates is carried out by the investment control function. Trade receivables mainly relate to the Group's eCommerce activities. In the eCommerce sector, credit 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 credit risks is limited because of the broad and heterogeneous structure of the customer base.

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

The Company's maximum exposure to credit risk by class of financial assets is as follows:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Trade and other financial receivables	61,091	36,010
Cash and cash equivalents	1,758,889	2,053,448
Maximum exposure to credit risk	**1,819,980**	**2,089,458**

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 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.

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 operating 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 as well as income from the sale of financial assets, future cash flows from operating activities represent another source of liquidity.

As of December 31, 2015, the Company's current assets, including assets classified as held for sale in the amount of EUR 1,833,796 thousand (previous year EUR 2,113,376 thousand) exceeded current liabilities in the amount of EUR 108,471 thousand (previous year EUR 137,827 thousand) by an amount of EUR 1,725,325 thousand (previous year EUR 1,975,549 thousand). The Company invests the funds almost entirely in demand deposits, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. The Company's liquidity portfolio comprises cash and cash equivalents.

The maturity analysis of financial liabilities is as follows:

Dec 31, 2015	Carrying amount	Cash flows < 1 year		Cash flows 1 - 5 years		Cash flows > 5 years	
		Principal	Interest	Principal	Interest	Principal	Interest
		In EUR thousand					
Convertible bond	519,210	0	−16,500	0	−66,000	−550,000	−33,000
Interest-bearing loans and borrowings	4,746	−3,585	−10	−1,161	−8	−7	0
Other non-current financial liabilities	13,719	0	0	−13,719	0	0	0
Other current financial liabilities	978	−978	0	0	0	0	0
Trade payables	11,398	−11,369	0	−29	0	0	0

Dec 31, 2014	Carrying amount	Cash flows < 1 year		Cash flows 1 - 5 years		Cash flows > 5 years	
		Principal	Interest	Principal	Interest	Principal	Interest
		In EUR thousand					
Interest-bearing loans and borrowings	7,453	−7,453	−5	0	0	0	0
Other non-current financial liabilities	5,315	0	−5	−5,315	0	0	0
Other current financial liabilities	2,608	−2,608	0	0	0	0	0
Trade payables	43,703	−43,696	0	−7	0	0	0

The amounts disclosed in the tables are the contractual undiscounted cash flows.

Market risks:

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 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 the financial statements of subsidiaries having a different functional currency into the reporting currency are recognized in equity in the consolidated financial statements. Foreign exchange differences that result from exchange rate changes when translating monetary balance sheet items in foreign currency are recognized in the income statement under other operating expenses or income.

The individual Group companies mainly operate in their functional currency. Therefore, there are no material foreign currency risks for the companies themselves.

In accordance with IFRS 7, currency risks are depicted using sensitivity analyses. These analysis portray the impact of upward/downward revaluations of the euro in relation to all foreign currencies on earnings before income taxes and, if applicable, on equity. These analyses are based on financial instruments that are denominated in a currency different from the local functional currency and are of a monetary nature. In accordance with the requirements of IFRS 7, exchange rate-related differences from the translation of financial statements into the Group currency euro are not stated. There was no separate impact on equity.

Rocket Internet SE and European Founders Fund GmbH & Co. Beteiligungs KG No. 3 have bank accounts in US Dollar (USD) with a credit of USD 137,708 thousand and other financial assets in the amount of USD 2,280 thousand.

The following table demonstrates the sensitivity to a reasonably possible change in US Dollar (USD) exchange rates, with all other variables remaining unchanged. The Group's exposure to foreign currency changes for all other currencies is not material.

	Dec 31, 2015	**Dec 31, 2014**
	In EUR thousand	
Effect on the balance sheet and profit before tax		
Change in USD rate + 10%	12,858	0
Change in USD rate − 10%	−12,858	0

In financial year 2015, a net foreign exchange gain of EUR 4,272 thousand (previous year net loss of EUR 372 thousand) was recognized.

	Dec 31, 2015	**Dec 31, 2014**
	In EUR thousand	
Net Foreign Exchange Gain - Operational	2,599	511
Net Foreign Exchange Gain - Financial	2,068	0
Net Foreign Exchange Losses - Operational	−378	−883
Net Foreign Exchange Losses - Financial	−17	0
Net Foreign Exchange Gain/Losses	**4,272**	**−372**

Interest Rate Risk

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.

Share price risk

The Group is exposed to share price risks which are described in Note 41.

41 Financial Instruments

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

	IAS 39 Measurement category	Measured at	Level	Carrying amount Dec 31, 2015	Carrying amount Dec 31, 2014	Fair Value Dec 31, 2015	Fair Value Dec 31, 2014
				In EUR thousand			
Non-current financial assets							
Equity instruments - listed companies	fafvo	FVTPL	1	40,923	55,585	40,923	55,585
Equity instruments - not listed companies	fafvo	FVTPL	3	281,425	280,962	281,425	280,962
AFS equity investments[9)	afs	FVTOCI	3	999,116	0	999,116	0
Subsidiaries outside consolidation	afs	C	3	1,975	1,818	1,975	1,818
Other non-current financial assets measured at fair value	fafvo	FVTPL	3	8,692	0	8,692	0
Other non-current financial assets	lar	AC	3	1,053	166	1,053	166
Current financial assets							
Loan receivables from associated companies and Joint Ventures	lar	AC	n/a	33,307	7,857	33,307	7,857
Loan receivables from subsidiaries (outside consolidation)	lar	AC	n/a	1,328	1,991	1,328	1,991
Receivables from the sale of investments	lar	AC	n/a	2,543	1,930	2,543	1,930
Security deposits (current)	lar	AC	n/a	625	1,872	625	1,872
Other financial assets (current)	lar	AC	n/a	3,457	1,445	3,457	1,445
Cash and cash equivalents	lar	AC	n/a	1,758,889	2,053,448	1,758,889	2,053,448
Trade receivables	lar	AC	n/a	10,085	20,748	10,085	20,748
Financial assets classified as held for sale							
Loan receivables	lar	AC	n/a	5,663	0	5,663	0
Other financial assets	lar	AC	n/a	32	3,668	32	3,668
Trade receivables	lar	AC	n/a	854	0	854	0
Cash and cash equivalents	lar	AC	n/a	9,710	0	9,710	0

9) As of December 31, 2015 mainly non-consolidated shares in Delivery Hero of EUR 978,944 thousand.

	IAS 39 Measurement category	Measured at	Level	Carrying amount		Fair Value	
				Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
				In EUR thousand			
Other non-current financial liabilities							
Convertible bond liabilities[10]	ofl	AC	3	511,968	0	505,725	0
Contingent consideration (non-current)	flfv	FVTPL	3	7,622	0	7,622	0
Mandatorily redeemable preference shares and other derivatives (warrant) issued by a consolidated subsidiary	ofl	AC	3	5,950	4,950	5,950	4,950
Loan liabilities	ofl	AC	3	1,211	0	1,211	0
Other non-current financial liabilities	ofl	AC	3	147	364	147	364
Interest-bearing loans and borrowings (current)							
Liabilities from convertible bonds	ofl	AC	n/a	7,242	0	7,242	0
Loan liabilities	ofl	AC	n/a	3,523	7,290	3,523	7,290
Bank liabilities	ofl	AC	n/a	12	164	12	164
Other current financial liabilities							
Refund liabilities for sales with a right of return	ofl	AC	n/a	0	1,153	0	1,153
Other current financial liabilities	ofl	AC	n/a	978	1,455	978	1,455
Trade payables	ofl	AC	n/a	11,398	43,703	11,398	43,703
Financial liabilities directly associated with assets classified as held for sale							
Loan liabilities	ofl	AC	n/a	3,989	0	3,989	0
Bank liabilities	ofl	AC	n/a	144	0	144	0
Other current financial liabilities	ofl	AC	n/a	75	0	75	0
Trade payables	ofl	AC	n/a	2,320	0	2,320	0
Thereof aggregated according to the measurement categories of IAS 39							
Available-for-sale (afs)				1,001,091	1,818	1,001,091	1,818
Financial assets under fair value option (fafvo)				331,041	336,547	331,041	336,547
Loans and receivables (lar)				1,827,546	2,093,126	1,827,546	2,093,126
Financial liabilities at fair value (flfv)				7,622	0	7,622	0
Other financial liabilities (ofl)				548,955	59,079	542,712	59,079

10) Fair value measurement based on the price of the convertible bond as of December 31, 2015 of 91.95% (Level 3).

The following **measurement methods** were used:

AC - Amortized cost,

C - Cost,

FVTOCI - Fair value through other comprehensive income,

FVTPL - Fair value through profit or loss,

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

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

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

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

Except for the shares in Zalando SE and in Care.com Inc., which became publicly listed companies during the calendar year 2014, there were no other reclassifications between fair value measurement at Level 1, Level 2 and Level 3 in 2015 and 2014.

Change in financial assets accounted to fair value through profit and loss

	2015		2014	
	all	Level 3 only	all	Level 3 only
	In EUR thousand			
Opening balance as of Jan 1	**336,547**	**280,962**	**66,078**	**66,078**
Additions (including contributions in kind)	83,199	83,199	266,945	266,804
Reclassifications[1]	− 15,557	− 15,557	− 7,339	− 62,552
Changes in fair value recognized in profit or loss	33,015	19,944	12,931	10,632
Disposals	− 106,163	− 78,431	− 2,068	0
Closing balance as of Dec 31	**331,041**	**290,117**	**336,547**	**280,962**

1) Reclassifications of EUR 15,557 thousand during 2015 mainly relate to TravelBird which is as of December 31, 2015 accounted for as an associated company measured at equity. Reclassifications during 2014 of EUR 55,213 thousand relate to the initial public offerings in care.com and Zalando, which as a result have been reclassified from Level 3 to Level 1.

Change in AFS financial assets

	2015		2014	
	all	Level 3 only	all	Level 3 only
	In EUR thousand			
Opening balance as of Jan 1	**0**	**0**	**0**	**0**
Additions	863,804	863,804	0	0
Changes in fair value recognized in OCI	136,657	136,657	0	0
Reclassification to profit or loss	− 1,329	− 1,329	0	0
Disposals	− 15	− 15	0	0
Closing balance as of Dec 31	**999,116**	**999,116**	**0**	**0**

The changes in fair value recognized in other comprehensive income (OCI) mainly relate to gain from valuation of shares in Delivery Hero.

Change in financial liabilities accounted at fair value through profit and loss (see note 9)

	2015		2014	
	all	Level 3 only	all	Level 3 only
	In EUR thousand			
Opening balance as of Jan 1	**0**	**0**	**0**	**0**
Addition	7,272	7,272	0	0
Changes in fair value	350	350	0	0
Closing balance as of Dec 31	**7,622**	**7,622**	**0**	**0**

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

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

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

Fair value measurement of not listed equity instruments

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

Firstly, it is considered whether any significant, recent transactions were made at arm's length in the companies (e.g. transaction where shares were issued to a new investor). For new share issues, it is taken into account whether the newly issued shares have better preference to the company's assets than earlier issued shares in the event of sale or liquidation of the company. If preferential rights have a significant impact on the assessment of the respective equity classes, the fair value is determined by using an option pricing model based on the last financing rounds and under consideration of liquidation preferences attached to the respective equity classes as stipulated in the entities' shareholder agreements. The value of such liquidation preferences is dependent on the probability of future exit scenarios. Given that there are multiple classes of equity at the network company level, we employ the hybrid method in order to allocate values to the various equity classes. The hybrid method is a hybrid between the probability-weighted expected return method and the option pricing method, which estimates the probability-weighted value across future exit scenarios, but uses the option-pricing-model to estimate the remaining unknown potential exit scenarios. Relevant valuation inputs include assumptions on the allocation of exit proceeds to share classes in future exit scenarios (liquidation preferences), but also consist of peer group assumptions (stock price volatility), dividend yield (estimated at zero) and the risk free interest rate at the end of the reporting period. Furthermore, exit scenarios in which liquidation preferences were considered relevant to the fair value were estimated with probability percentages that lie between 0 and 50%.

For companies where no or few recent arm's length transactions have been carried out, a valuation is conducted based on future cash flows which are discounted to receive their present value. Inputs used for discounted cash flow (DCF) valuations are business plans, cost of capital plus a risk premium and assumptions used to determine a sales proceed at the end of the detailed planning phase. Costs of capital are derived based on the capital asset pricing model, where capital market data for peer groups and risk free rates are used. In addition, a risk premium is added to the cost of capital. The risk premium reflects the uncertainty that results from the fact that the companies are still in the start-up or early development phase. The risk free rate is calculated using the Svensson's method and amounts to 1.5%. Country risk premiums between 0 and 14.9% and a small cap premium of 3.8% are also applied. Long term inflation rates between 0 and 20.3% (with the exception of Venezuela at 155%) are also used in the calculation, as forecasted by the International Monetary Fund. For additional risk premiums, surcharges of between 10 and 33.5% are applied, depending on the age and planning risk of each company. To determine the sales proceeds at the end of the detailed planning phase, sales multiples in the range of 1.4x to 13.3x and/or EBITDA multiples in the range of 10.7x to 24.8x are applied. The multiples are derived from comparable transactions or comparable listed companies in the capital market. Other parameters include an estimate of working capital assumptions, tax rates and assumptions for investment activity and depreciation.

Share price risk

The Group is exposed to financial risks in respect of share prices, meaning the risk of changes in the value of the shareholdings. Rocket Internet's operations include management of shareholdings (equity instruments) measured at fair value comprising considerable investments in a small number of unlisted companies. Accordingly, Rocket Internet's 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.

Equity instruments measured at fair value through profit or loss - impact of valuation parameters

On December 31, 2015, 1% (previous year 1%) of Rocket Internet's total assets were listed equity instruments and 6% (previous year 7%) were unlisted equity instruments measured at fair value. The fair value was determined based on market prices or the discounted cash flow method.

On December 31, 2015, 3% (previous year 7%) of the total assets were not listed equity instruments based on transaction prices, as well as 3% (previous year 0%) of the total assets were not listed equity instruments measured using the DCF method.

The effect of changing critical input factors of the valuation technique on the fair value of Goodgame Studios, Rocket's most significant non-listed investment measured at fair value through profit or loss in 2015, is shown below.

Simulation of the fair value as of 31 December, 2015, in EUR thousand:

Goodgame Studios		**Exit multiple**		
		−20%	0%	+20%
	−20%	78,040	93,942	109,845
Cost of Capital	0%	70,977	**85,276**	99,574
	+20%	64,913	77,839	90,764

Equity instruments measured at fair value through other comprehensive income (OCI) - impact of valuation parameters

As of December 31, 2015, 20% (previous year: 0%) of the total assets of Rocket Internet's balance sheet comprise unlisted equity instruments that are measured at fair value through OCI.

As of December 31, 2015, 20% (previous year: 0%) of the total assets were not listed equity instruments measured using the DCF method, as well as 0% (previous year: 0%) of the total assets were not listed equity instruments based on transaction prices.

The effect of changing critical input factors in the valuation technique on the fair value of the in 2015 acquired Delivery Hero, which was the most significant not listed investment that was measured at fair value through OCI, is shown below.

Simulation of the fair value as of 31 December, 2015, in EUR thousand:

Delivery Hero		**Exit multiple**		
		−20%	0%	+20%
	−20%	1,223,403	1,433,429	1,643,454
Cost of Capital	0%	843,079	**978,938**	1,114,798
	+20%	595,678	685,032	774,387

Fair value measurement of subsidiaries outside consolidation

The unquoted dormant subsidiaries outside consolidation are classified into the available-for-sale category. As for those there are no recent transactions with other investors and their fair value cannot be reliably measured, the Group measures them at cost. In the case of permanent impairment, a write-down to the present value of future cash flows is performed.

Book value of financial assets accounted at fair value through profit or loss

Trade name	Company name	Type of holding	Registered office	Capital/ votes Dec 31, 2015	Capital/ votes Dec 31, 2014	Fair Value Dec 31, 2015	Fair Value Dec 31, 2014
Non-current securities at FVTPL - listed							
Zalando	Zalando SE	Other investment	Germany	0.5%	0.8%	40,478	50,884
Other companies				n/a	n/a	445	4,700
Associated companies at FVTPL - not listed							
MarleySpoon	MarleySpoon GmbH	Associated company	Germany	28.6%	40.7%	15,012	6,268
Trusted Shops	Trusted Shops GmbH	Associated company	Germany	25.0%	25.0%	10,203	10,000
Jimdo	Jimdo GmbH	Associated company	Germany	n/a	25.9%	n/a	20,903
Other companies				n/a	n/a	19,934	25,184
Other investments at FVTPL – not listed							
Goodgame Studios	Altigi GmbH	Other investment	Germany	15.0%	15.0%	85,276	101,739
Funding Circle	Funding Circle Holdings Ltd.	Other investment	Great Britain	1.7%	n/a	24,428	n/a
Jimdo	Jimdo GmbH	Other investment	Germany	18.9%	n/a	17,464	n/a
Craftsvilla	Supera Investment Pte. Ltd.	Other investment	Singapore	7.0%	n/a	10,848	n/a
Media Math	Media Math LLC	Other investment	USA	1.9%	1.9%	9,830	7,713
Borro Limited	Borro Limited	Other investment	Great Britain	11.0%	5.5%	9,602	7,000
Naturebox	Naturebox Inc	Other investment	USA	10.1%	n/a	9,152	n/a
Kreditech	Kreditech Holding SSL GmbH	Other investment	Germany	3.2%	6.9%	6,069	5,415
DaWanda	DaWanda GmbH	Other investment	Germany	8.4%	8.4%	6,062	3,800
Movinga	Movinga GmbH	Other investment	Germany	9.4%	n/a	5,574	n/a
Iwoca	Iwoca Limited	Other investment	Great Britain	7.2%	9.1%	5,351	1,156
SocietyOne	SocietyOne Holdings Pty Ltd.	Other investment	Australia	10.7%	10.7%	5,214	6,048
Dealerdirect	Dealerdirect Global BV	Other investment	Netherlands	12.5%	n/a	5,000	n/a
Yemek Sepeti	Yemek Sepeti A.S.	Other investment	Turkey	n/a	11.4%	n/a	40,259
TravelBird[1)]	Travelbird Nederland B.V.	Other investment	Netherlands	n/a	16.4%	n/a	15,555
Other companies				n/a	n/a	36,407	29,923
Other financial assets at FVTPL							
Other non-current financial assets				n/a	n/a	8,692	0
Total						**331,041**	**336,547**

1) as of December 31, 2015, an associated company accounted for using the equity method.

Details of material associated companies measured at fair value

The following material investments in associated companies are measured at fair value. There are no significant restrictions on the ability of the associated companies to transfer funds to Rocket Internet in the form of cash dividends or to repay loans or advances made by Rocket Internet. For information on dividends from associated companies, refer to Note 19. The following table summarizes the financial information of material associated companies as included in the companies' own financial statements. All of the material associated companies prepare financial information in accordance with local GAAP:

Summarized balance sheets (in thousands) for financial year 2015:

Company	Trusted Shops	Marley Spoon
Reporting date	31/12/15	31/12/15
Currency	EUR	EUR
Current assets	13,305	11,343
Non-current assets	728	3,353
Current liabilities	6,070	705
Non-current liabilities	808	0
Net assets	**7,155**	**13,991**

Summarized income statements (in thousands) for financial year 2015:

Company	Trusted Shops	Marley Spoon
Reporting date	31/12/15	31/12/15
Currency	EUR	EUR
Revenue	19,789	611
Profit or loss	1,303	−3,887
Total comprehensive income	1,303	−3,887

Summarized balance sheets (in thousands) for financial year 2014:

Company	Jimdo	Trusted Shops	Marley Spoon
Reporting date	31/12/14	31/12/14	31/12/14
Currency	EUR	EUR	EUR
Current assets	4,188	12,776	4,141
Non-current assets	4,234	989	114
Current liabilities	7,306	7,513	154
Non-current liabilities	233	0	0
Net assets	**883**	**6,252**	**4,101**

Summarized income statements (in thousands) for financial year 2014:

Company	Jimdo	Trusted Shops	Marley Spoon
Reporting date	31/12/14	31/12/14	31/12/14
Currency	EUR	EUR	EUR
Revenue	17,629	16,952	18
Profit or loss	694	648	−1,424
Total comprehensive income	694	648	−1,424

42 Balances and Transactions with Related Parties

Related parties are shareholders with significant influence on the Rocket Internet Group, joint ventures, associated companies, non-consolidated subsidiaries and individuals that exercise significant influence on the Group's financial and business policy. Persons who exercise significant influence on the Group's financial and business policy comprise all individuals in key positions and their close family members. Within Rocket Internet Group, this relates to the parent company's members of the Management Board and the Supervisory Board as well as the managing directors prior to the change in legal form into an AG.

Shareholders with significant influence

Trade Names	Company Names	Significant influence period
Global Founders	Global Founders GmbH, Munich[1)]	Jan 1, 2014 - Dec 31, 2015
Kinnevik	Investment AB Kinnevik, Stockholm	Jan 1, 2014 - Sep 1, 2014

1) 33.3% of the shares in Global Founders GmbH are indirectly held by the CEO of the Rocket Internet SE.

Transactions with shareholders with significant influence

Dividend payment in 2014

On May 30, 2014, the shareholders approved an advance dividend in kind to certain shareholders. Consequently, Rocket Internet transferred by way of a separate share transfer agreement 4,145 and 1,892 shares in Bigfoot GmbH to Emesco AB (subsidiary of Investment AB Kinnevik) and AI European Holdings S.à r.l. (shareholder with no significant influence over Rocket Internet SE), respectively, as well as 4,559 and 2,082 shares in BGN Brillant Services GmbH to Emesco AB and AI European Holdings S.à r.l., respectively, as a dividend in kind. The fair value of the distributed shares amounted to EUR 153,234 thousand. In addition, a cash dividend of EUR 286,766 thousand was paid to Global Founders GmbH.

No dividends were paid to the shareholders of the parent in 2015.

Portfolio contribution of the Global Founders Capital funds

In August 2014, United Internet Ventures AG, Montabaur, (United Internet) agreed to invest a total of EUR 435 million for a 10.7% stake in Rocket Internet. United Internet's EUR 435 million investment consists of EUR 333 million in cash and a contribution in kind valued at EUR 102 million, which comprised United Internet's equity participation in the Global Founders Capital Fund portfolio (GFC portfolio). As part of this transaction, the equity participation of Global Founders GmbH in the GFC portfolio, valued at EUR 153 million, was also contributed into Rocket Internet in exchange for new shares. In this context the extraordinary shareholders' meeting of Rocket Internet held on August 22, 2014 resolved to increase Rocket Internet's share capital by EUR 25,527, from EUR 159,442 to EUR 184,969, while admitting (i) United Internet to subscribe for 16,193 newly issued shares, (ii) Global Founders GmbH and Global Founders Capital Fund to subscribe for an aggregate of 8,132 newly issued shares, (iii) European Founders Fund GmbH & Co. Beteiligungs KG Nr. 2 and European Founders Fund GmbH & Co. Beteiligungs KG Nr. 3, both located in Munich, Germany, to subscribe for 637 and 365 newly issued shares, respectively, and (iv) MOAS GmbH & Co. KG, MOAS Nr. 2 GmbH & Co. KG and MOAS Nr. 3 GmbH & Co. KG, all located in Munich, Germany, to subscribe for an aggregate of 200 newly issued shares. The GFC portfolio consisted of 53 investments in Internet companies held jointly by United Internet and of Global Founders GmbH. The portfolio includes minority stakes in companies such as games maker Goodgame Studios; online travel sites such as Traveloka and Travelbird; online marketplaces Yemek Sepeti and DaWanda; and financial technology companies Kreditech, Borro and SocietyOne. Rocket Internet gains stakes in certain businesses that are well aligned with its focus sectors and geographies, such as Yemek Sepeti – a leading Turkish online food delivery marketplace, and Traveloka – a leading Indonesian travel metasearch provider.

The Group has designated those investments 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 risk management and investment strategies. Rocket Internet 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 Internet usually does not perform significant commercial and technical consulting services for these companies.

Consulting Agreement with Global Founders GmbH

In 2014, Rocket Internet purchased services from Global Founders GmbH of EUR 70 thousands. These transactions were based on a consulting agreement between Global Founders GmbH and Rocket Internet. Some of the payments under this agreement relate to reimbursements for consulting services and travel costs charged to Global Founders GmbH by Marc and Alexander Samwer under separate agreements between Global Founders GmbH and Marc Samwer and Alexander Samwer, respectively. These agreements were terminated in 2014. The charges are included in other operating expenses. As of December 31, 2015 and 2014, the outstanding balances payable were EUR 0 thousand and EUR 0 thousand respectively.

Transactions with joint ventures, associated companies and non-consolidated subsidiaries

Parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.

The transactions in 2015 and 2014 and outstanding balances for services with joint ventures of the Group are as follows:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Sales to joint ventures	10,047	12,743
Purchases from joint ventures	−905	−4,678
Interest income from joint ventures	13	79
Interest expense from joint ventures	−10	−61
Amounts owed by joint ventures:		
Trade receivables	2,203	4,275
Other financial receivables (current)	4,143	2,633
Amounts owed to joint ventures		
Trade payables	256	828
Other financial liabilities (current)	2,573	3,842

The transactions in 2015 and 2014 and outstanding balances for services with associates under significant influence of the Group are as follows:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Sales to associates	20,529	19,124
Contribution of subsidiaries to associates	107,890	18,248
Purchases from associates	−751	−3,682
Interest income from associates	335	96
Interest expense from associates	−12	−164
Amounts owed by associates:		
Trade receivables	3,771	7,821
Other financial receivables (current)	29,164	5,224
Amounts owed to associates		
Trade payables	958	822
Other financial liabilities (current)	328	2,467

The transactions in 2015 and 2014 and outstanding balances for services with non-consolidated subsidiaries controlled by Rocket Internet are as follows:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Sales to non-consolidated subsidiaries	503	486
Purchases from non-consolidated subsidiaries	−872	−747
Amounts owed by non-consolidated subsidiaries:		
Trade receivables	941	671
Other financial receivables (current)	1,328	1,991
Amounts owed to non-consolidated subsidiaries:		
Trade payables	208	142
Other financial liabilities (current)	144	517

Receivables and payables are unsecured and payable in cash. Other financial receivables and liabilities relate to short-term loans.

Key management compensation

Remuneration of the Management Board

After the conversion into a stock corporation in July 2014, the following members were elected into the Management Board:

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

Until the conversion into a stock corporation in July 2014, the Company´s management comprised of the following members:

Name	Position held
Arnt Jeschke	Managing Director Finance
Alexander Kudlich	Managing Director Business Development
Dr. Johannes Bruder	Managing Director Marketing and Products

As part of their remuneration, managing directors were granted options of Rocket Internet SE and shares in subsidiaries at the nominal amount of EUR 1 under equity-settled share-based payment plans described in more detail in Note 39. The compensation paid or payable to key management for employee services is shown below:

	2015	2014
	In EUR thousand	
Short-term benefits (cash and non-cash compensation)	5,173	1,134
Share-based payments (expense in the reporting period)	37,155	16,370
Total	**42,328**	**17,504**

Additional disclosures on total remuneration pursuant to Sec. 314 (1) No 6 HGB

In 2015, 614 shares in subsidiaries with a grant date fair value of EUR 2,202 thousand and 332 options in subsidiaries with a grant date fair value of EUR 324 thousand have been issued to members of the Management Board. The total remuneration granted to the members of the Management Board in return for the fulfilment of their duties in the parent company and its subsidiaries was EUR 7,699 thousand.

The members of the Management Board have not been granted any advances or loans. At the balance sheet date, there are no contingencies in favor of members of the Management Board.

Supervisory Board, Remuneration 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	Management Consultant and Associate Partner of Solon Management Consulting GmbH & Co. KG	August 22, 2014
Norbert Lang	Vice-chairman	Management Consultant	June 23, 2015
Prof. Dr. Roland Berger		Founder and former CEO of Roland Berger Strategy Consultants	August 22, 2014
Dr. Martin Enderle		Management Consultant	June 23, 2015
Lorenzo Grabau		CEO of Investment AB Kinnevik	June 23, 2014
Erik Mitteregger		Non-executive Member of the Board of Investment AB Kinnevik	June 23, 2014
Napoleon L. Nazareno		CEO of Philippine Long Distance Telephone Company	August 22, 2014
Prof. Dr. Joachim Schindler		Chartered Accountant, Tax Adviser	June 23, 2015
Daniel Shinar		CEO of ClalTech	August 22, 2014

The former members of the Supervisory Board during the financial years 2015 and 2014:

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

Name	Function	Position	Since / until
Jörg Mohaupt	Vice-chairman	Director Technology, Media and Telecommunication (TMT) at Access Industries	June 23, 2014 / August 22, 2014
Uwe Gleitz		Senior Vice President Investments at Rocket Internet SE	June 23, 2014 / August 22, 2014
Christian von Hardenberg		Technical Director at Rocket Internet SE	June 23, 2014 / August 22, 2014
Dr. Franziska Leonhardt		Director Legal Affairs at Rocket Internet SE	June 23, 2014 / August 22, 2014

Remuneration (short-term benefits only) of the Supervisory Board of the parent company for performing its functions at the parent company and the subsidiaries amounted to EUR 305 thousand (previous year EUR 95 thousand). No loans or advances were granted to the members of the Supervisory Board.

43 Contingent Liabilities and other Contractual Obligations

As of the reporting date, as in the previous year, there are no contingent liabilities.

The Company reports other contractual obligations for the following items:

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Capital contribution and investment obligations	61,000	41,140
Rental and lease agreements	89,457	3,070
Loans granted to associated companies	4,000	0
Purchase commitments and other	0	19
Total contractual obligations	**154,457**	**44,229**

Capital contribution and investment obligations result from participation agreements concluded prior to the balance sheet date. As of December 31, 2015, they mainly result from capital increases of Africa Internet Holding GmbH and CupoNation Group GmbH (previous year Lazada Group GmbH, Home24 GmbH, Helpling Group Holding S.à r.l., Jade 1317. GmbH).

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

	Dec 31, 2015	Dec 31, 2014
	In EUR thousand	
Not later than 1 year	3,112	2,018
Later than 1 year and not later than 5 years	27,408	1,052
Later than 5 years	58,937	0
Total operating lease commitments	**89,457**	**3,070**
Lease payments during the period	5,381	5,432

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

The increase in contractual obligations from rental and lease agreements results from the rental agreement for the new headquarters in Berlin.

As of December 31, 2015, total future sublease payments receivable under the Company's operating subleases amount to EUR 3,808 thousand (previous year EUR 896 thousand).

Order commitments (except for leasing) were all payable within one year.

44 Auditor's Fees

Total fees charged for the financial year by the Group's auditor (Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft) amount to EUR 1.6 million (previous year EUR 2.7 million) and comprise EUR 1.2 million (previous year EUR 0.7 million) for audit services, EUR 0.4 million (previous year EUR 1.9 million) for other audit-related services and EUR 0.0 million (previous year EUR 0.1 million) for other services.

45 Events after the Reporting Period

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 unless investments are deemed strategic for Rocket Internet.

Rocket Internet announced the divestiture of two takeaway food operations in cash 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 subject to regulatory approval from the Spanish competition authority, the Comisión Nacional de los Mercados y la Competencia.

Rocket Internet decided a partial buyback of convertible bonds on February 15, 2016. The Management Board of Rocket Internet SE decided to spend up to EUR 150 million on a program to repurchase senior unsecured convertible bonds due 2022 issued by the Company during 2016. 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 previous investor Holtzbrinck Ventures.

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

46 List of Group shareholdings pursuant to Sec. 313 (2) HGB

No.	Company	Registered Head Office	Equity interest in %	via No.
1	Rocket Internet SE	Berlin		
	Fully consolidated subsidiaries			
	Germany			
2	Bambino 106. V V UG (haftungsbeschränkt)	Berlin	100%	1
3	Bambino 53. V V UG (haftungsbeschränkt)	Berlin	100%	1
4	Blanko 7. GmbH & Co. KG	Berlin	98.5%	22, 3
5	Bonativo GmbH	Berlin	100%	101
6	Bonnyprints GmbH	Berlin	77.1%	1
7	Brillant 1390. GmbH & Co. Verwaltungs KG	Berlin	89.5%	32, 3, 251
8	CarSpring Services GmbH	Berlin	100%	88
9	Caterwings Services GmbH	Berlin	100%	90
10	EatFirst Germany GmbH	Berlin	100%	113
11	European Founders Fund GmbH & Co. Beteiligungs KG Nr. 2	Berlin	100%	1
12	European Founders Fund GmbH & Co. Beteiligungs KG Nr. 3	Berlin	100%	1
13	European Founders Fund Investment GmbH	Berlin	100%	1
14	European Founders Fund Nr. 3 Beteiligungs GmbH	Berlin	100%	12
15	Express Quality Food Global Services GmbH	Berlin	100%	115
16	Global Founders Capital GmbH & Co. Beteiligungs KG Nr. 1	Berlin	100%	1
17	Global Founders Capital Management GmbH	Berlin	100%	1
18	GSS Global Shopping Services GmbH	Berlin	100%	96
19	International Rocket GmbH & Co. KG	Berlin	100%	1
20	Jade 1085. GmbH	Berlin	100%	1
21	Jade 1217. GmbH	Berlin	89.0%	1, 3
22	Jade 1221. GmbH	Berlin	71.1%	44, 3, 1
23	Jade 1234. GmbH	Berlin	100%	1
24	Jade 1235. GmbH	Berlin	100%	23
25	Jade 1265. GmbH	Berlin	91.3%	1, 3
26	Jade 1317. GmbH	Berlin	100%	1
27	Jade 1318. GmbH	Berlin	63.0%	1, 3
28	Jade 1344. GmbH & Co. Verwaltungs KG	Berlin	89.1%	31, 3, 254
29	Jade 1347. GmbH	Berlin	100%	122
30	Jade 1348. GmbH & Co. Verwaltungs KG	Berlin	100%	33, 3
31	Jade 1353. GmbH	Berlin	86.4%	44, 3

No.	Company	Registered Head Office	Equity interest in %	via No.
32	Jade 1366. GmbH	Berlin	86.7%	44, 3, 1
33	Jade 1371. GmbH	Berlin	100%	1
34	Jade 1372. GmbH	Berlin	100%	1
35	Jade 1375. GmbH	Berlin	100%	108
36	Juwel 131. UG (haftungsbeschränkt) & Co. Erste Verwaltungs KG	Berlin	100%	2, 3
37	Juwel 190. V V UG (haftungsbeschränkt) & Co. 15. Verwaltungs KG	Berlin	100%	43, 3
38	Juwel 190. V V UG (haftungsbeschränkt) & Co. 32. Verwaltungs KG	Berlin	100%	43, 3
39	Juwel 190. V V UG (haftungsbeschränkt) & Co. 41. Verwaltungs KG	Berlin	100%	43, 3
40	Juwel 190. V V UG (haftungsbeschränkt) & Co. Verwaltungs KG	Berlin	100%	44
41	Juwel 200. V V UG (haftungsbeschränkt) & Co. Vierte Verwaltungs KG	Berlin	100%	25
42	Kin Shopping GmbH	Berlin	82.0%	1
43	LIH Subholding Nr. 2 UG (haftungsbeschränkt) & Co. KG	Berlin	100%	44, 3
44	MKC Brillant Services GmbH	Berlin	65.0%	1
45	OCM Online Car Marketplace Global Services GmbH	Berlin	100%	82
46	Online Marketplace Global Services GmbH	Berlin	100%	103
47	R2 International Internet GmbH	Berlin	59.2%	1
48	RCKT Rocket Communications GmbH & Co. KG	Berlin	100%	1
49	Rocket Asia GmbH & Co. KG	Berlin	100%	19
50	Rocket Internet Munich GmbH	Munich	100%	1
51	Rocket Labs GmbH & Co. KG	Berlin	100%	1
52	SOG Shopping Operations Germany GmbH	Berlin	100%	95
53	Somuchmore GmbH	Berlin	100%	124
54	Somuchmore Marketplace UG (haftungsbeschränkt)	Berlin	100%	154
55	SpaceWays Global Services GmbH	Berlin	100%	94
56	sparks42 GmbH	Berlin	79.0%	1
57	Spotcap Global Services GmbH	Berlin	100%	164
58	Tripda Brazil Holding UG (haftungsbeschränkt) & Co. Verwaltungs KG	Berlin	100%	166, 3
59	Vaniday Global Services GmbH	Berlin	100%	112
60	Vendomo Deutschland GmbH	Berlin	100%	117
61	Vendomo Global Services GmbH	Berlin	100%	119
62	ZipJet Global Services GmbH	Berlin	100%	98
63	ZipJet GmbH	Berlin	100%	97
	Other countries			
64	Airu Produtos Criativos Ltda.	São Paulo	100%	4, 3
65	Argentum Spain S.L.U.	Madrid	100%	163
66	Beauty Brasil Agendamento de Serviços de Beleza Ltda.	São Paulo	100%	107, 112
67	Blue Circle Servicos de Fidelidade Ltda.	São Paulo	100%	30, 236
68	Bonativo B.V.	Amsterdam	100%	102
69	Bonativo Limited	London	100%	100
70	Bus Servicos de Agendamento Ltda.	São Paulo	100%	37, 248
71	Carspring Limited	London	75.0%	86
72	Caterwings Limited	London	100%	91
73	Clickbus Servicios S.A.S.	Bogota	100%	39
74	Clickbus Servicos S. de R.L. de C.V.	Mexico City	83.9%	38, 248
75	Convenience Food Group S.à r.l. (vormals: Bonativo Global S.à r.l.)	Luxemburg	62.6%	1
76	Digital Services Holding I S.à r.l.	Luxemburg	90.0%	1, 3
77	Digital Services Holding XXII S.à r.l.	Luxemburg	78.3%	1, 3
78	Digital Services LI S.à r.l.	Luxemburg	100%	1

No.	Company	Registered Head Office	Equity interest in %	via No.
79	Digital Services XL 1 S.C.Sp.	Luxemburg	100%	82, 3
80	Digital Services XL 4 S.C.Sp.	Luxemburg	100%	82, 3
81	Digital Services XL S.à r.l.	Luxemburg	85.7%	1, 3
82	Digital Services XL Top-Holding S.C.Sp.	Luxemburg	100%	81, 3
83	Digital Services XLII 1 S.C.Sp.	Luxemburg	100%	112, 3
84	Digital Services XLII 3 S.C.Sp.	Luxemburg	100%	112, 3
85	Digital Services XLII Top-Holding S.C.Sp.	Luxemburg	99.6%	150, 3
86	Digital Services XLIII 1 S.C.Sp.	Luxemburg	100%	88, 3
87	Digital Services XLIII S.à r.l.	Luxemburg	83.3%	1, 3
88	Digital Services XLIII Top-Holding S.C.Sp.	Luxemburg	100%	87, 3, 201
89	Digital Services XLVIII S.à r.l.	Luxemburg	100%	75
90	Digital Services XLVIII Top-Holding S.C.Sp.	Luxemburg	100%	89, 3
91	Digital Services XLVIII UK S.C.Sp.	Luxemburg	100%	90, 3
92	Digital Services XVI S.à r.l.	Luxemburg	80.0%	1, 3
93	Digital Services XVII S.à r.l.	Luxemburg	90.9%	1, 3
94	Digital Services XVII Top-Holding S.C.Sp.	Luxemburg	97.4%	93, 3
95	Digital Services XXI Germany Holding S.C.Sp.	Luxemburg	100%	96, 3
96	Digital Services XXI Top-Holding S.C.Sp.	Luxemburg	97.9%	151, 3
97	Digital Services XXII Germany Holding S.C.Sp.	Luxemburg	100%	98, 3
98	Digital Services XXII Top-Holding S.C.Sp.	Luxemburg	99.7%	77, 3
99	Digital Services XXII UK Holding S.C.Sp.	Luxemburg	100%	98, 3
100	Digital Services XXIII 1 S.C.Sp.	Luxemburg	100%	103, 3
101	Digital Services XXIII 2 S.C.Sp.	Luxemburg	100%	103, 3
102	Digital Services XXIII 3 S.C.Sp.	Luxemburg	100%	103, 3
103	Digital Services XXIII Top-Holding S.C.Sp.	Luxemburg	95.6%	75, 3
104	Digital Services XXIV 2 S.C.Sp.	Luxemburg	100%	171, 3
105	Digital Services XXIV 3 S.C.Sp.	Luxemburg	100%	171, 3
106	Digital Services XXIV S.à r.l.	Luxemburg	100%	1, 3
107	Digital Services XXIX 1 S.C.Sp.	Luxemburg	100%	112, 3
108	Digital Services XXIX 2 S.C.Sp.	Luxemburg	100%	112, 3
109	Digital Services XXIX 3 S.C.Sp.	Luxemburg	100%	112, 3
110	Digital Services XXIX 4 S.C.Sp.	Luxemburg	100%	112, 3
111	Digital Services XXIX S.à r.l.	Luxemburg	100%	178
112	Digital Services XXIX Top-Holding S.C.Sp.	Luxemburg	100%	111, 3
113	Digital Services XXX Germany Holding S.C.Sp.	Luxemburg	100%	115, 3
114	Digital Services XXX S.à r.l.	Luxemburg	100%	75
115	Digital Services XXX Top-Holding S.C.Sp.	Luxemburg	99.3%	114, 3
116	Digital Services XXX UK Holding S.C.Sp.	Luxemburg	100%	115, 3
117	Digital Services XXXIII 2 S.C.Sp.	Luxemburg	100%	119, 3
118	Digital Services XXXIII S.à r.l.	Luxemburg	100%	1
119	Digital Services XXXIII Top-Holding S.C.Sp.	Luxemburg	100%	118, 3
120	Digital Services XXXVII 1 S.C.Sp.	Luxemburg	100%	122, 3
121	Digital Services XXXVII S.à r.l.	Luxemburg	100%	75
122	Digital Services XXXVII Top-Holding S.C.Sp.	Luxemburg	100%	121, 3
123	Digital Services XXXVIII 1 S.C.Sp.	Luxemburg	100%	154, 3
124	Digital Services XXXVIII 2 S.C.Sp.	Luxemburg	100%	154, 3
125	Digital Services XXXVIII 3 S.C.Sp.	Luxemburg	100%	154, 3
126	DS XL UK Limited	London	100%	79
127	DS XXIX France SAS	Paris	100%	110
128	DS XXXVIII UK Limited	London	100%	123
129	EatFirst UK Ltd.	London	75.0%	116
130	Ecommerce Business 11 S.à r.l.	Luxemburg	100%	137, 3
131	ECommerce Pay Emerging Markets S.à r.l.	Luxemburg	90.9%	132, 3
132	ECommerce Pay Holding S.à r.l.	Luxemburg	50.0%	2
133	Emerging Markets Internet Fund SCS	Luxemburg	66.7%	1
134	Food Delivery Holding 13 S.à r.l.	Luxemburg	100%	137, 3

No.	Company	Registered Head Office	Equity interest in %	via No.
135	GFC Global Founders Capital S.à r.l.	Luxemburg	100%	1
136	Global Fin Tech Holding S.à r.l.	Luxemburg	100%	1
137	Global Online Takeaway Group S.A.	Luxemburg	100%	1
138	Goldstar eServices Private Limited	Gurgaon (IN)	100%	173
139	Grupo Yamm Comida a Domicilio S.L.	Madrid	100%	134
140	Internet Services Polen Sp.o.o.	Warsaw	100%	19
141	MKC Brazil Servicos de Adminstracao Ltda.	São Paulo	100%	40
142	Moonshine eServices Private Limited	Gurgaon (IN)	100%	36, 243
143	Rocket Brasil Novos Negocios e Participacoes Ltda.	São Paulo	100%	19
144	Rocket eServices Ltd.	London	100%	19
145	Rocket eServices Private Limited	Delhi	100%	19
146	Rocket Internet Capital Partners Lux S.à r.l.	Luxemburg	100%	1
147	Rocket Internet Capital Partners SCS	Luxemburg	100%	146
148	R-SC Internet Services Egypt LLC	Cairo	100%	19, 20
149	R-SC Internet Services Luxembourg S.à r.l.	Luxemburg	100%	19
150	R-SC Liquidation Services Luxembourg S.à r.l. (vormals: Digital Services XLII S.à.r.l.)	Luxemburg	100%	178
151	ShopWings Global S.à r.l.	Luxemburg	100%	75
152	Somuchmore France SAS	Paris	100%	125
153	Somuchmore Global S.à r.l.	Luxemburg	73.3%	1
154	Somuchmore Holding S.à r.l.	Luxemburg	90.5%	153, 3
155	SpaceWays Germany Holding S.C.Sp.	Luxemburg	100%	94, 3
156	SpaceWays Storage Services UK Ltd.	London	75.0%	157
157	SpaceWays UK Holding S.C.Sp.	Luxemburg	100%	94, 3
158	Spotcap Australia PTY Ltd.	Sydney	100%	159
159	Spotcap Australia S.C.Sp.	Luxemburg	100%	164, 3
160	Spotcap Global S.à r.l.	Luxemburg	58.3%	136, 3
161	Spotcap Netherlands B.V.	Amsterdam	100%	162
162	Spotcap Netherlands S.C.Sp.	Luxemburg	100%	164, 3
163	Spotcap Spain S.C.Sp.	Luxemburg	100%	164, 3
164	Spotcap Top Holding S.C.Sp.	Luxemburg	100%	160, 3
165	TAC Special Opportunities I LLC	Wilmington (US)	97.5%	16
166	Tripda Brazil Holding S.C.Sp.	Luxemburg	100%	171, 3
167	Tripda Chile Holding S.C.Sp.	Luxemburg	100%	171, 3
168	Tripda Chile SAS	Santiago	100%	167
169	Tripda Colombia Holding S.C.Sp.	Luxemburg	99.8%	171, 3
170	Tripda Colombia SAS	Bogota	100%	169
171	Tripda Group Holding S.C.Sp.	Luxemburg	100%	106, 3
172	Tripda Inc.	Albany (US)	100%	177
173	Tripda India Holding S.C.Sp.	Luxemburg	100%	171, 3
174	Tripda Mexico Holding S.C.Sp.	Luxemburg	100%	171, 3
175	Tripda Mexico S. de R.L. de C.V.	Mexico City	100%	174
176	Tripda Transportes Colaborativos Ltda.	São Paulo	100%	166
177	Tripda USA Holding S.C.Sp.	Luxemburg	100%	171, 3
178	Vaniday Global S.à r.l.	Luxemburg	78.4%	1
179	Vaniday Italy Srl	Milan	100%	83
180	Vaniday Russia OOO	Moscow	100%	84
181	Webs S.r.l.	Bologna	100%	130
182	ZipJet Ltd.	London	75.0%	99
	Other subsidiaries[1)]			
	Germany			
183	Bambino 107. V V UG (haftungsbeschränkt)	Berlin	100%	1
184	Bambino 110. V V UG (haftungsbeschränkt)	Berlin	100%	1
185	Bambino 52. V V UG (haftungsbeschränkt)	Berlin	100%	1
186	Bambino 54. V V UG (haftungsbeschränkt)	Berlin	100%	1

No.	Company	Registered Head Office	Equity interest in %	via No.
187	Bambino 55. V V UG (haftungsbeschränkt)	Berlin	100%	1
188	Bambino 61. V V UG (haftungsbeschränkt)	Berlin	100%	19
189	Bambino 79. V V UG (haftungsbeschränkt)	Berlin	100%	19
190	Bambino 80. V V UG (haftungsbeschränkt)	Berlin	100%	19
191	Bambino 81. V V UG (haftungsbeschränkt)	Berlin	100%	19
192	Bambino 82. V V UG (haftungsbeschränkt)	Berlin	100%	19
193	Bambino 84. V V UG (haftungsbeschränkt)	Berlin	100%	19
194	Bambino 91. V V UG (haftungsbeschränkt)	Berlin	100%	19
195	Blanko 12. UG (haftungsbeschränkt) & Co. KG	Berlin	100%	247, 3
196	Brillant 1259. GmbH	Berlin	100%	1
197	Brillant 1390. GmbH	Berlin	100%	32
198	Brillant 1418. GmbH	Berlin	100%	237
199	Brillant 1423. GmbH	Berlin	100%	1
200	Brillant 2055. GmbH	Berlin	100%	301
201	Carspring Beteiligungs UG (haftungsbeschränkt)	Berlin	100%	87
202	CD-Rocket Holding UG (haftungsbeschränkt)	Berlin	100%	1
203	CityDeal Management II UG (haftungsbeschränkt)	Berlin	100%	1
204	CityDeal Management UG (haftungsbeschränkt)	Berlin	100%	1
205	CityDeal Management UG (haftungsbeschränkt) & Co. Beteiligungs KG	Berlin	100%	203
206	EFF Nr. 2 Portfolio Management UG (haftungsbeschränkt)	Berlin	100%	1
207	EFF Nr. 2 Portfolio Verwaltungs GmbH	Munich	100%	1
208	EFF Nr. 3 Portfolio Management UG (haftungsbeschränkt)	Berlin	100%	1
209	EFF Nr. 3 Portfolio Verwaltungs GmbH	Munich	100%	1
210	European Founders Fund Nr. 2 Geschäftsführungs GmbH	Berlin	100%	1
211	European Founders Fund Nr. 2 Verwaltungs GmbH	Berlin	100%	1
212	European Founders Fund Nr. 3 Management GmbH	Berlin	100%	1
213	European Founders Fund Nr. 3 Verwaltungs GmbH	Berlin	100%	1
214	GFC Nr. 1 Portfolio Management UG (haftungsbeschränkt)	Berlin	100%	1
215	GFC Nr. 1 Portfolio Verwaltungs GmbH	Munich	100%	1
216	Global Founders Capital Verwaltungs GmbH	Berlin	100%	1
217	Jade 1085. GmbH & Co. Achtzehnte Verwaltungs KG	Berlin	100%	19, 3
218	Jade 1085. GmbH & Co. Dreiundzwanzigste Verwaltungs KG	Berlin	100%	19, 3
219	Jade 1085. GmbH & Co. Vierundzwanzigste Verwaltungs KG	Berlin	100%	19, 3
220	Jade 1085. GmbH & Co. Zweiundvierzigste Verwaltungs KG	Berlin	100%	19, 3
221	Jade 1154. GmbH	Berlin	100%	229
222	Jade 1207. GmbH	Berlin	100%	224
223	Jade 1207. GmbH & Co. Verwaltungs KG	Berlin	100%	224, 3
224	Jade 1231. GmbH	Berlin	100%	1
225	Jade 1232. GmbH	Berlin	100%	1
226	Jade 1233. GmbH	Berlin	100%	225
227	Jade 1236. GmbH	Berlin	100%	1
228	Jade 1238. GmbH	Berlin	73.8%	1, 3
229	Jade 1240. GmbH	Berlin	100%	1
230	Jade 1241. GmbH	Berlin	100%	1
231	Jade 1246. GmbH	Berlin	100%	1, 3
232	Jade 1247. GmbH	Berlin	100%	1
233	Jade 1279. GmbH	Berlin	100%	1
234	Jade 1319. GmbH	Berlin	100%	1, 3
235	Jade 1344. GmbH	Berlin	100%	31
236	Jade 1348. GmbH	Berlin	100%	33
237	Jade 1356. GmbH	Berlin	100%	1
238	Jade 1361. GmbH	Berlin	100%	237
239	Jade 1368. GmbH	Berlin	100%	1, 3
240	Jade 1370. GmbH	Berlin	100%	34
241	Jade 1413. GmbH	Berlin	100%	22

No.	Company	Registered Head Office	Equity interest in %	via No.
242	Jade 940. GmbH	Berlin	100%	1
243	Juwel 131. V V UG (haftungsbeschränkt)	Berlin	100%	2
244	Juwel 133. V V UG (haftungsbeschränkt)	Berlin	100%	183
245	Juwel 154. V V UG (haftungsbeschränkt)	Berlin	100%	247
246	Juwel 155. V V UG (haftungsbeschränkt)	Berlin	100%	1
247	Juwel 156. V V UG (haftungsbeschränkt)	Berlin	100%	1
248	Juwel 190. V V UG (haftungsbeschränkt)	Berlin	100%	44
249	Juwel 190. V V UG (haftungsbeschränkt) & Co. 23. Verwaltungs KG	Berlin	100%	43, 3
250	Juwel 190. V V UG (haftungsbeschränkt) & Co. 42. Verwaltungs KG	Berlin	100%	43, 3
251	Juwel 197. V V UG (haftungsbeschränkt)	Berlin	100%	32
252	Juwel 200. V V UG (haftungsbeschränkt)	Berlin	100%	25
253	Juwel 200. V V UG (haftungsbeschränkt) & Co. Dritte Verwaltungs KG	Berlin	100%	25, 3
254	Juwel 202. V V UG (haftungsbeschränkt)	Berlin	100%	31
255	Juwel 219. V V UG (haftungsbeschränkt)	Berlin	100%	44
256	Kristall 146. GmbH	Berlin	100%	228
257	Motors Myanmar UG (haftungsbeschränkt) & Co. KG	Berlin	100%	19
258	Rocket Communications GmbH	Berlin	100%	1
259	Rocket Internet Marketplace Solutions GmbH	Berlin	100%	1
260	Rocket Middle East GmbH	Berlin	100%	1
261	Tekcor 2. V V UG (haftungsbeschränkt)	Berlin	100%	19
262	Tripda (GP) GmbH	Berlin	100%	34
263	Tripda Beteiligungs UG (haftungsbeschränkt)	Berlin	100%	106
264	Tripda Global (GP) UG (haftungsbeschränkt)	Berlin	100%	106
265	VRB GmbH & Co. B-101 (Einhunderteins) KG	Berlin	100%	1
266	VRB GmbH & Co. B-118 (Einhundertachtzehn) KG	Berlin	100%	19, 3
267	VRB GmbH & Co. B-122 (Einhundertzweiundzwanzig) KG	Berlin	100%	225, 3
268	VRB GmbH & Co. B-125 (Einhundertfünfundzwanzig) KG	Berlin	100%	228, 3
269	VRB GmbH & Co. B-133 KG	Berlin	100%	231, 3
270	VRB GmbH & Co. B-147 KG	Berlin	100%	19
271	VRB GmbH & Co. B-153 KG	Berlin	100%	19
272	VRB GmbH & Co. B-154 KG	Berlin	100%	19
273	VRB GmbH & Co. B-155 KG	Berlin	100%	19
	Other countries			
274	9387102 Canada Limited	Toronto	100%	303
275	Argentum Poland S.C.Sp.	Luxemburg	100%	164
276	Argentum Poland sp. z.o.o.	Warsaw	100%	275
277	Beijing Ying Nai Le Qi Information Consultancy Co. Ltd.	Beijing	100%	19
278	Classifieds Albania S.C.Sp.	Luxemburg	100%	328, 3
279	Classifieds Armenia S.C.Sp.	Luxemburg	100%	328, 3
280	Classifieds Azerbaijan S.C.Sp.	Luxemburg	100%	328, 3
281	Classifieds Georgia S.C.Sp.	Luxemburg	100%	328, 3
282	Classifieds Kyrgyzstan S.C.Sp.	Luxemburg	100%	328, 3
283	Classifieds Tajikistan S.C.Sp.	Luxemburg	100%	328, 3
284	Classifieds Turkmenistan S.C.Sp.	Luxemburg	100%	328, 3
285	Classifieds Uzbekistan S.C.Sp.	Luxemburg	100%	328, 3
286	Clickbus Peru S.A.C.	Lima	100%	250, 248
287	Digital Services Australia S.C.Sp.	Luxemburg	100%	76, 3
288	Digital Services Holding III S.à r.l.	Luxemburg	100%	136
289	Digital Services Holding IV S.à r.l.	Luxemburg	100%	1
290	Digital Services Holding XXI (GP) S.à r.l.	Luxemburg	100%	151
291	Digital Services Holding XXII (GP) S.à r.l.	Luxemburg	100%	77
292	Digital Services Holding XXIII (GP) S.à r.l.	Luxemburg	100%	75
293	Digital Services I (GP) S.à r.l.	Luxemburg	100%	76

No.	Company	Registered Head Office	Equity interest in %	via No.
294	Digital Services L S.à r.l.	Luxemburg	100%	1
295	Digital Services LI (GP) S.à r.l.	Luxemburg	100%	78
296	Digital Services LI Pakistan S.C.Sp.	Luxemburg	100%	297, 3
297	Digital Services LI Top-Holding S.C.Sp.	Luxemburg	100%	78, 3
298	Digital Services LII (GP) S.à r.l.	Luxemburg	100%	134
299	Digital Services LII S.à r.l.	Luxemburg	100%	1
300	Digital Services XL (GP) S.à r.l.	Luxemburg	100%	81
301	Digital Services XL 2 S.C.Sp.	Luxemburg	100%	82, 3
302	Digital Services XL 3 S.C.Sp.	Luxemburg	100%	82, 3
303	Digital Services XL 5 S.C.Sp.	Luxemburg	100%	82, 3
304	Digital Services XL 6 S.C.Sp.	Luxemburg	100%	82, 3
305	Digital Services XLII 2 S.C.Sp.	Luxemburg	100%	85, 3
306	Digital Services XLIII (GP) S.à r.l.	Luxemburg	100%	87
307	Digital Services XLIX (GP) S.à r.l.	Luxemburg	100%	308
308	Digital Services XLIX S.à r.l.	Luxemburg	100%	1
309	Digital Services XLV S.à r.l.	Luxemburg	100%	1
310	Digital Services XLVII (GP) S.à r.l.	Luxemburg	100%	311
311	Digital Services XLVII S.à r.l.	Luxemburg	100%	1
312	Digital Services XLVIII (GP) S.à r.l.	Luxemburg	100%	89
313	Digital Services XVI (GP) S.à r.l.	Luxemburg	100%	92
314	Digital Services XVII (GP) S.à r.l.	Luxemburg	100%	93
315	Digital Services XVIII (GP) S.à r.l.	Luxemburg	100%	316
316	Digital Services XVIII S.à r.l.	Luxemburg	100%	1
317	Digital Services XXI France Holding S.C.Sp.	Luxemburg	100%	96, 3
318	Digital Services XXI UK Holding S.C.Sp.	Luxemburg	100%	96, 3
319	Digital Services XXII France Holding S.C.Sp.	Luxemburg	100%	98, 3
320	Digital Services XXIII 4 S.C.Sp.	Luxemburg	100%	103, 3
321	Digital Services XXIV (GP) S.à r.l.	Luxemburg	100%	106
322	Digital Services XXIV 1 S.C.Sp.	Luxemburg	100%	106, 3
323	Digital Services XXIV 4 S.C.Sp.	Luxemburg	100%	106, 3
324	Digital Services XXIV 5 S.C.Sp.	Luxemburg	100%	106, 3
325	Digital Services XXIX (GP) S.à r.l.	Luxemburg	100%	111
326	Digital Services XXVII (GP) S.à r.l.	Luxemburg	100%	327
327	Digital Services XXVII S.à r.l.	Luxemburg	100%	1
328	Digital Services XXVII Top S.C.Sp.	Luxemburg	100%	327, 3
329	Digital Services XXX (GP) S.à r.l.	Luxemburg	100%	114
330	Digital Services XXX France S.C.Sp.	Luxemburg	100%	115, 3
331	Digital Services XXXIII (GP) S.à r.l.	Luxemburg	100%	118
332	Digital Services XXXIII 1 S.C.Sp.	Luxemburg	100%	119, 3
333	Digital Services XXXVII (GP) S.à r.l.	Luxemburg	100%	121
334	Digital Services XXXVIII 4 S.C.Sp.	Luxemburg	100%	154, 3
335	Digital Services XXXVIII Top-Holding S.C.Sp.	Luxemburg	100%	153, 3
336	DS XL Italy S.r.l.	Bolzano (IT)	100%	302
337	DS XL Netherlands B.V.	Amsterdam	100%	304
338	DS XXXIII UK Limited	London	100%	332
339	DS XXXVII UK Ltd.	London	100%	120
340	ECommerce Pay Middle East S.à r.l.	Luxemburg	100%	132, 3
341	Emeraldone Internet Services Portugal, Unipessoal Lda.	Lissabon	100%	194
342	Emerging Markets Capital S.à r.l.	Luxemburg	100%	1
343	Fastcash Servicos de Administracao e Correspondente Bancario Ltda.	São Paulo	100%	384, 383
344	Food Delivery Holding 31 S.à r.l.	Luxemburg	100%	130
345	Furniture E-Services Holding USA Inc.	Wilmington (US)	100%	25
346	Furniture E-Services Taiwan Co., Ltd.	Taipei	100%	253

No.	Company	Registered Head Office	Equity interest in %	via No.
347	GG Fun Limited	Birkirkara (MT)	100%	348, 1
348	GP Management Limited	Birkirkara (MT)	99.9%	1
349	International Rocket Company Limited	Road Town (VG)	100%	19
350	International Rocket Corporate Limited	Road Town (VG)	100%	19
351	International Rocket Group Limited	Road Town (VG)	100%	19
352	International Rocket Hellas EPE	Athens	100%	19, 20
353	International Rocket Holding Limited	Road Town (VG)	100%	19
354	International Rocket Ventures Limited	Road Town (VG)	100%	19
355	Internet Alti Hizmet Teknolojileri Limited Sirketi	Istanbul	100%	267, 226
356	Internet Bes Hizmet Teknolojileri Limited Sirketi	Istanbul	100%	223, 222
357	Internet Services Netherlands B.V.	Amsterdam	100%	19
358	Inversiones Bazaya C.A.	Caracas	100%	19
359	Jade E-Services Azerbaijan LLC	Baku	100%	195
360	Kaymu Albania S.C.Sp.	Luxemburg	100%	380, 3
361	Kaymu Albania Sh.p.k.	Tirana	100%	360
362	Kaymu Armenia S.C.Sp.	Luxemburg	100%	380, 3
363	Kaymu Azerbaijan LLC	Baku	100%	364
364	Kaymu Azerbaijan S.C.Sp.	Luxemburg	100%	380, 3
365	Kaymu Belarus S.C.Sp.	Luxemburg	100%	380, 3
366	Kaymu BH d.o.o.	Sarajevo	100%	367
367	Kaymu Bosnia S.C.Sp.	Luxemburg	100%	380, 3
368	Kaymu Bulgaria EOOD	Sofia	100%	369
369	Kaymu Bulgaria S.C.Sp.	Luxemburg	100%	380, 3
370	Kaymu Croatia d.o.o.	Zagreb	100%	371
371	Kaymu Croatia S.C.Sp.	Luxemburg	100%	380, 3
372	Kaymu Georgia LLC	Tbilisi	100%	373
373	Kaymu Georgia S.C.Sp.	Luxemburg	100%	380, 3
374	Kaymu Macedonia S.C.Sp.	Luxemburg	100%	380, 3
375	Kaymu Montenegro S.C.Sp.	Luxemburg	100%	380, 3
376	Kaymu Slovakia S.C.Sp.	Luxemburg	100%	380, 3
377	Kaymu Slovenia d.o.o.	Ljubljana	100%	378
378	Kaymu Slovenia S.C.Sp.	Luxemburg	100%	380, 3
379	Kaymu Slovensko s.r.o.	Bratislava	100%	376
380	Kaymu Top-Holding S.C.Sp.	Luxemburg	100%	92, 3
381	Kaymu Uzbekistan S.C.Sp.	Luxemburg	100%	380, 3
382	KaymuBy (Unitary Enterprise)	Minsk	100%	365
383	Moneda (GP) S.à r.l.	Luxemburg	100%	388
384	Moneda Brazil S.C.Sp.	Luxemburg	100%	386, 3
385	Moneda Colombia S.C.Sp.	Luxemburg	100%	386, 3
386	Moneda Holding S.C.Sp.	Luxemburg	100%	388
387	Moneda Mexico S.C.Sp.	Luxemburg	100%	386, 3
388	Moneda Top-Holding S.à r.l.	Luxemburg	100%	1
389	Online Car Marketplace España SL	Madrid	100%	80
390	Online Platform LLC	Tashkent	100%	381
391	Place Mniej Sp. z o.o.	Warsaw	87.5%	47
392	R1 E-Services Hungary Kft.	Budapest	100%	19
393	RI Capital Advisors Limited	London	100%	1
394	Rocket Bulgaria EOOD	Sofia	100%	19
395	Rocket Denmark ApS.	Copenhagen	100%	19

No.	Company	Registered Head Office	Equity interest in %	via No.
396	Rocket Internet Chile Limitada	Santiago	100%	19, 20
397	Rocket Internet Italy S.r.l.	Milan	100%	19
398	Rocket Internet Japan K.K.	Tokyo	100%	19
399	Rocket Internet S.R.L.	Bucharest	100%	19, 20
400	Rocket Internet Scandinavia AB	Stockholm	100%	19
401	Rocket Internet South Africa (Proprietary)	Gauteng	100%	19
402	Rocket Korea Ltd.	Seoul	100%	19
403	Rocket Serbia d.o.o.	Belgrade	100%	19
404	Rocket Slovakia s.r.o.	Bratislava	100%	19
405	Rocket US Inc.	Wilmington (US)	100%	19
406	R-SC Egypt for Import and Export	Cairo	100%	148
407	R-SC Internet Services Chile Limitada	Santiago	100%	19, 20
408	R-SC Internet Services Colombia SAS	Bogotá	100%	19
409	RSC Internet Services Finland 2 Oy	Helsinki	100%	191
410	R-SC Internet Services France SAS	Paris	100%	19
411	R-SC Internet Services II Norway AS	Oslo	100%	192
412	R-SC Internet Services Japan K.K.	Tokyo	100%	217
413	RSC Internet Services Malaysia Sdn. Bhd	Kuala Lumpur	100%	104
414	R-SC Internet Services Nigeria Limited	Lagos	100%	19, 20
415	R-SC Internet Services Slovakia s.r.o.	Bratislava	100%	188, 3
416	R-SC Internet Services South Africa (PTY) Ltd.	Cape Town	100%	19
417	R-SC Internet Services Spain S.L.	Madrid	100%	19
418	RSC Internet Services Switzerland GmbH	Zürich	100%	19
419	RSC Internet Services Switzerland II GmbH	Zürich	100%	189
420	R-SC Liquidation Services Luxembourg (GP) S.à r.l. (vormals: Digital Services XLII (GP) S.à r.l.)	Luxemburg	100%	150
421	RSC Rocket Internet Services Ltd.	Tel Aviv	100%	19
422	R-SC Vietnam Company Limited	Ho Chi Minh City	100%	19
423	RTE Finland Oy	Helsinki	100%	19
424	RTE Internet Ireland Ltd.	Dublin	100%	19
425	RTE Internet Services Switzerland GmbH	Zürich	100%	19
426	RTE Italy S.r.l.	Rome	100%	19
427	RTE Netherlands B.V.	Amsterdam	100%	19
428	Shopwings UK Limited	London	100%	318
429	Solar eServices Private Limited	Gurgaon	100%	219, 20
430	Somuchmore Spain, S.L.	Alella (ES)	100%	334
431	SpaceWays Canada Holding S.C.Sp.	Luxemburg	100%	94, 3
432	SpaceWays France Holding S.C.Sp.	Luxemburg	100%	94, 3
433	SpaceWays France SAS	Paris	100%	432
434	SpaceWays USA Holding S.C.Sp.	Luxemburg	100%	94, 3
435	Spotcap (GP) S.à r.l.	Luxemburg	100%	160
436	Spotcap Canada S.C.Sp.	Luxemburg	100%	164, 3
437	Spotcap Loans Ltd.	Vancouver	100%	436
438	Spotcap UK Ltd.	London	100%	439
439	Spotcap UK S.C.Sp.	Luxemburg	100%	164, 3
440	Trimly Brasil Agendamento de Servicos de Beleza Ltda.	São Paulo	100%	305, 85
441	Tripda Argentina Holding S.C.Sp.	Luxemburg	100%	171, 3
442	Tripda South Korea Holding S.C.Sp.	Luxemburg	100%	171, 3
443	Tripda Taiwan Holding S.C.Sp.	Luxemburg	100%	171, 3
444	Tripda Taiwan Ltd.	Taipei	100%	443
445	Tripda Uruguay Holding S.C.Sp.	Luxemburg	99.7%	171, 3
446	VRB B-154 Group Limited	Road Town (VG)	100%	272

No.	Company	Registered Head Office	Equity interest in %	via No.
447	VRB B-155 Corporate Limited	Road Town (VG)	100%	273
448	Wimdu Australia PTY Limited	Sydney	100%	19
449	Wimdu Israel Ltd.	Tel Aviv	100%	19
	Associated companies and joint ventures			
	Germany			
450	AEH New Africa eCommerce II GmbH	Berlin	34.6%	1, 3
451	Affinitas GmbH	Berlin	21.9%	1
452	Affinitas Phantom Share GmbH	Berlin	34.4%	1
453	Africa Internet Holding GmbH	Berlin	33.3%	1
454	Anschlusstor Vermarktungs GmbH	Munich	49.0%	16
455	Beauty Trend Holding GmbH[2)]	Berlin	59.8%	1
456	CupoNation Group GmbH[4)]	Munich	40.8%	1, 3
457	FabFurnish GmbH	Berlin	29.2%	1
458	HelloFresh AG[2)]	Berlin	56.7%	1, 3
459	Home24 AG	Berlin	45.5%	1, 3
460	Jade 1158. GmbH[2)]	Berlin	68.2%	1
461	Jade 1223. GmbH[2)]	Berlin	73.8%	1, 3
462	MarleySpoon GmbH	Berlin	28.6%	16
463	Netzoptiker GmbH[3)]	Limburg a.d.L.	42.8%	1
464	New BGN Other Assets II GmbH	Berlin	34.6%	1
465	New Bigfoot Other Assets GmbH	Berlin	29.2%	1
466	New Middle East Other Assets GmbH	Berlin	32.7%	1, 260
467	New TIN Linio II GmbH	Berlin	46.0%	1
468	Payleven Holding GmbH	Berlin	38.6%	132, 3
469	Paymill Holding GmbH	Berlin	48.6%	132, 3
470	Plinga GmbH	Berlin	39.3%	1
471	PTH Brillant Services GmbH[2)]	Berlin	79.6%	1, 3
472	Rumble Media GmbH	Karlsruhe	38.3%	16
473	TravelTrex GmbH	Cologne	25.0%	11
474	Trusted Shops GmbH	Cologne	25.0%	16
475	Veliberg GmbH	Cologne	22.0%	1
476	Webpotentials GmbH[3)]	Berlin	45.2%	1
477	Westwing Group GmbH	Berlin	32.2%	1, 26, 3
478	Wimdu GmbH	Berlin	49.4%	1
	Other countries			
479	Asia Internet Holding S.à r.l.	Luxemburg	50.0%	1
480	Clariness AG	Stans (CH)	25.0%	16
481	Digital Services XXVIII S.à r.l.[2)]	Luxemburg	70.0%	1
482	ECommerce Holding II S.à r.l.[2)]	Luxemburg	50.6%	136, 184
483	Emerging Markets Online Food Delivery Holding S.à r.l.	Luxemburg	49.1%	137, 3
484	Emerging Markets Taxi Holding S.à r.l.	Luxemburg	38.6%	44
485	Enuygun Com Internet Bilgi Hizmetleri Teknoloji ve Ticaret AS	Istanbul	48.8%	47
486	getAbstract AG	Lucerne	22.0%	11
487	Girl Meets Dress Ltd.	St. Albans (UK)	23.7%	16
488	Global Fashion Group S.A.	Luxemburg	26.9%	1, 44, 3
489	Helpling Group Holding S.à r.l.	Luxemburg	25.9%	1
490	InstaRem PTE Limited	Newtown (SG)	25.0%	135
491	Lazada Group S.A.	Luxemburg	22.8%	1
492	LeadX Holdings Limited	Altrinchnam (UK)	30.0%	16

No.	Company	Registered Head Office	Equity interest in %	via No.
493	Middle East Internet Holding S.à r.l.	Luxemburg	50.0%	1
494	PT Traveloka Indonesia[5)]	Jakarta	52.7%	2
495	RTV Holding Inc.	Road Town (VG)	20.0%	133
496	TravelBird Nederland B.V.	Amsterdam	25.2%	16
497	Ulmon GmbH	Vienna	22.8%	16, 135
498	Voopter Internet do Brasil SA[6)]	Rio de Janeiro	55.2%	16
499	XS Software AD	Sofia	40.0%	16
500	Yamsafer Inc.	Wilmington (US)	25.2%	135

1) Not consolidated due to immateriality.
2) No control due to contractual arrangements or legal circumstances.
3) In liquidation or in bankruptcy.
4) CupoNation Group GmbH: voting rights of 42.0% differ from equity interest.
5) PT Traveloka Indonesia: voting rights of 35.7% differ from equity interest.
6) Voopter Internet do Brasil SA: voting rights of 48.0% differ from equity interest.

No.	Company, registered office	Equity interest in %	Votes in %	via No.	Net result in EUR thousand	Equity in EUR thousand
	Other investments					
	Germany					
501	Delivery Hero Holding GmbH, Berlin[7),8)]	40.0%	30.0%	137, 165	−88,906	268,843

7) Values according to the last available consolidated financial statements (IFRS) as of December 31, 2014.
8) No significant influence due to legal circumstances.

47 Number of Employees pursuant to Sec. 314 No. 4 HGB

The average number of staff employed was as follows:

	2015
Germany	872
Other countries	630
Total	**1,502**

As of December 31, 2015, the group employed a total of 1,496 employees (previous year 1,586), thereof 639 abroad (previous year 1,078).

48 Authorization of the Financial Statements for Issue

The Management Board authorized the issue of the consolidated financial statements on March 31, 2016.

Berlin, March 31, 2016

The Management Board

Oliver Samwer Peter Kimpel Alexander Kudlich

The following audit opinion (Bestätigungsvermerk) refers to the consolidated financial statements prepared on the basis of International Financial Reporting Standards (IFRS), as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ("Handelsgesetzbuch": "German Commercial Code") as well as the combined management report for the company and the group prepared on the basis of German commercial law (HGB) of Rocket Internet SE as of and for the year ended December 31, 2015 as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages. The above-mentioned audit opinion (Bestätigungsvermerk) and consolidated financial statements are both translations of the respective German-language documents. The combined management report for the company and the group is not part of this prospectus.

Audit Opinion

We have audited the consolidated financial statements prepared by Rocket Internet SE, Berlin, comprising the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the consolidated financial statements, together with the combined management report for the fiscal year from January 1 to December 31, 2015. The preparation of the consolidated financial statements and the combined management report in accordance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the combined management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB 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 consolidated financial statements in accordance with the applicable financial reporting framework and in the combined management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group 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 consolidated financial statements and the combined management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the entities to be included in consolidation, the determination of the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the combined management report. 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 consolidated financial statements comply with IFRSs as adopted by the EU as well as the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The combined management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Berlin, 31 March 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Klug Wirtschaftsprüfer (German Public Auditor)	Beckers Wirtschaftsprüfer (German Public Auditor)

Rocket Internet SE
(formerly Rocket Internet AG)

Audited Consolidated Financial Statements
as of and for the year ended December 31, 2014
(prepared in accordance with IFRS)

Rocket Internet SE, Berlin (formerly Rocket Internet AG)

Consolidated Statement of Comprehensive Income for the Period January 1 to December 31, 2014

Income Statement	Note	Jan 1 - Dec 31, 2014	Jan 1 to Dec 31, 2013
		in EUR thousand	
Revenue	7, 12	128,182	99,812
Changes in work in progress		194	− 1,247
Internally produced and capitalized assets	13	2,878	2,480
Other operating income	14	4,200	1,323
Result from deconsolidation of subsidiaries	15	452,601	− 23
Gain from distribution of non-cash assets to owners	16	60,594	0
Purchased merchandise, raw materials and consumables used	17	− 69,788	− 62,229
Employee benefits expenses	18	− 141,870	− 103,126
Other operating expenses	19	-87,669	− 68,132
Share of profit/loss of associates and joint ventures	20	75,109	1,448,985
EBITDA		**424,432**	**1,317,842**
Depreciation and amortization	21	-2,653	-2,187
EBIT		**421,778**	**1,315,655**
Financial result		**12,031**	**91,776**
Finance costs	22	− 16,497	− 937
Finance income	22	28,528	92,713
Profit before tax		**433,809**	**1,407,432**
Income taxes	23	− 5,003	− 11,879
Profit for the period		**428,806**	**1,395,553**
Loss attributable to non-controlling interests		34,215	36,346
Profit attributable to equity holders of the parent		**463,022**	**1,431,899**
Earnings per share (in EUR)	**24**	**3.24**	**11.93**

Statement of Comprehensive Income	Jan 1 - Dec 31, 2014	Jan 1 to Dec 31, 2013
	in EUR thousand	
Profit for the period	**428,806**	**1,395,553**
Exchange differences on translation of foreign operations	− 455	785
Share of the changes in the net assets of associates/joint ventures that are recognised in OCI of the associates/joint ventures	80,238	8,254
Deferred taxes on share of the changes in the net assets of associates/joint ventures that are recognised in OCI of the associates/joint ventures	− 1,220	− 123
Other changes in OCI	− 321	321
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	**78,241**	**9,237**
Other comprehensive income for the period, net of tax	**78,241**	**9,237**
Total comprehensive income for the period, net of tax	**507,048**	**1,404,790**
Total comprehensive income attributable to:		
Equity holders of the parent	541,510	1,440,598
Non-controlling interests	− 34,462	− 35,808

Rocket Internet SE, Berlin (formerly Rocket Internet AG)

Consolidated Balance Sheet as of December 31, 2014

	Note	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
			in EUR thousand	
Assets				
Non-current assets				
Property, plant and equipment	25	3,131	2,402	2,406
Intangible assets	26	9,024	6,570	3,942
Investments in associates and joint ventures	11	1,450,762	681,389	390,459
Non-current financial assets	27, 42	338,530	68,355	24,407
Other non-current non-financial assets	31	4,158	40	0
Income tax assets	23	112	73	0
Deferred tax assets	23	48	99	37
		1,805,765	**758,927**	**421,251**
Current assets				
Inventories	28	11,238	7,423	8,841
Trade receivables	29, 41, 42	20,748	5,721	14,497
Other current financial assets	30, 42	15,095	20,726	18,518
Other current non-financial assets	31	7,975	3,181	3,524
Income tax asset	23	991	851	154
Cash and cash equivalents	32, 41, 42	2,053,448	413,862	214,543
		2,109,496	**451,763**	**260,076**
Assets classified as held for sale	33	3,879	46,331	0
Total assets		**3,919,140**	**1,257,022**	**681,327**
Equity and liabilities				
Equity				
Subscribed capital	34	153,131	110	103
Capital reserves	34	2,482,643	490,707	319,106
Treasury shares	34	0	−43	0
Retained earnings	34, 35	1,014,782	604,174	271,100
Other components of equity	34	87,116	8,628	−72
Equity attributable to equity holders of the parent		**3,737,672**	**1,103,576**	**590,238**
Non-controlling interests	34	34,184	12,750	33,167
Total equity		**3,771,857**	**1,116,325**	**623,406**
Non-current liabilities				
Non-current financial liabilities	36, 41, 42	5,315	1,138	575
Other non-current non-financial liabilities	39	498	8	36
Income tax liabilities	23	45	0	0
Deferred tax liabilities	23	3,600	3,510	3,362
		9,457	**4,656**	**3,973**
Current liabilities				
Trade payables	37, 41, 42	43,703	23,271	11,965
Other current financial liabilities	38, 41, 42	10,061	34,170	17,352
Other current non-financial liabilities	39	71,874	55,756	21,578
Income tax liabilities	23	12,188	12,228	3,054
		137,827	**125,424**	**53,948**
Liabilities directly associated with assets classified as held for sale	33	0	10,617	0
Total liabilities		**147,284**	**140,697**	**57,921**
Total equity and liabilities		**3,919,140**	**1,257,022**	**681,327**

Rocket Internet SE, Berlin (formerly Rocket Internet AG)
Consolidated Statement of Changes in Equity for the Period January 1 to December 31, 2014

	Note	Equity attributable to equity holders of the parent						Non-controlling interests	Total equity
		Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other components of equity	Total		
		in EUR thousand							
Jan 1, 2013		**103**	**319,106**	**0**	**271,100**	**− 72**	**590,238**	**33,167**	**623,406**
Profit for the period					1,431,899		1,431,899	− 36,346	1,395,553
Other comprehensive income for the period						8,699	8,699	538	9,237
Total comprehensive income period					**1,431,899**	**8,699**	**1,440,598**	**− 35,808**	**1,404,790**
Proceeds from issuance of shares to the equity holders of the parent		6	159,851				159,857		159,857
Proceeds from non-controlling interests			13,312				13,312	10,618	23,929
Purchase of treasury shares				− 43	− 1,023,402		− 1,023,445		− 1,023,445
Dividends paid to equity holders of the parent (advance dividend pay-outs)					− 80,574		− 80,574		− 80,574
Changes in scope of consolidation and other changes in non-controlling interests			− 1,561		− 96		− 1,657	1,991	333
Equity-settled share-based payments (IFRS 2)	34, 40				5,240		5,240	2,783	8,022
Other changes					7		7	0	7
		6	**171,601**	**− 43**	**333,073**	**8,699**	**513,337**	**− 20,417**	**492,920**
Dec 31, 2013		**110**	**490,707**	**− 43**	**604,174**	**8,628**	**1,103,576**	**12,750**	**1,116,325**
Profit for the period					463,022		463,022	− 34,215	428,806
Other comprehensive income for the period						78,489	78,489	− 247	78,241
Total comprehensive income for the period					**463,022**	**78,489**	**541,510**	**− 34,462**	**507,048**
Proceeds from the issuance of shares to the equity holders of the parent (cash contribution)		33,075	2,037,328				2,070,402		2,070,402
Transaction costs net of tax			− 28,902				− 28,902		− 28,902
Issuance of shares to the equity holders of the parent (non-cash contribution)		1	395,511				395,511		395,511
Increase of subscribed capital from own resources		119,946	− 119,946				0		0
Proceeds from non-controlling interests			65,901				65,901	35,670	101,571
Transfer and redemption of treasury shares				43	− 43		0		0
Non-cash dividends to equity holders of the parent (advance dividends in kind)					− 153,234		− 153,234		− 153,234

		Equity attributable to equity holders of the parent							
	Note	Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other components of equity	Total	Non-controlling interests	Total equity
					in EUR thousand				
Dividends paid to equity holders of the parent (advance cash dividends)					−286,766		−286,766		−286,766
Changes in scope of consolidation and other changes in non-controlling interests			−87,473		80,245		−7,228	20,139	12,911
Withdrawals from capital reserves			−270,483		270,483		0		0
Purchase of non-controlling interest without change in control					−242		−242	17	−225
Equity-settled share-based payments (IFRS 2)	34, 40				37,179		37,179	70	37,249
Other changes					−35	0	−35		−35
		153,021	**1,991,936**	**43**	**410,608**	**78,489**	**2,634,097**	**21,435**	**2,655,531**
Dec 31, 2014		**153,131**	**2,482,643**	**0**	**1,014,782**	**87,116**	**3,737,672**	**34,184**	**3,771,857**

Rocket Internet SE, Berlin (formerly Rocket Internet AG)

Consolidated Statement of Cash Flows for the Period January 1 to December 31, 2014

		Notes	Jan 1 - Dec 31, 2014	Jan 1 - Dec 31, 2013
			in EUR thousand	
1.	**Cash flows from operating activities**			
	Profit before tax		433,809	1,407,432
	Adjustments to reconcile profit before tax to net cash flows:			
+/−	Depreciation of property, plant and equipment	25	1,215	1,162
+/−	Amortisation of intangible assets	26	1,438	1,025
+/−	Share-based payment expense	40	51,295	8,236
−/+	Net foreign exchange differences		−14	306
−/+	Gain / loss on disposal of property, plant and equipment		192	−167
−/+	Gain / loss on disposal of non-current financial assets		−1,189	−22
−	Gain from distribution of non-cash assets to the equity holders of the parent	16	−60,594	0
−/+	Gain / loss from deconsolidations	15	−452,601	23
+/−	Other non-cash expenses / income		1,527	3,557
−/+	Fair value adjustment of equity instruments FVTPL	22	−12,931	−92,001
−	Finance income	22	−633	−713
+	Finance costs	22	1,763	937
−/+	Share of profit of associated companies and joint ventures (equity method)	11	−75,109	−1,448,985
	Working capital adjustments:			
−/+	Increase / decrease in trade and other receivables and prepayments	29	−17,796	−1,411
−/+	Increase / decrease in inventories	28	113	−2,510
+/−	Increase / decrease in trade and other payables	37	35,085	65,161
+	Dividends received from associates		230	0
+	Interest received		143	509
−	Interest paid		−352	−148
−	Income tax paid		−152	−3,500
=	**Net cash flows from operating activities**		**−94,561**	**−61,108**
2.	**Cash flows from investing activities**			
+	Proceeds from sale of property, plant and equipment		631	107
−	Purchase of property, plant and equipment	25	−3,657	−2,822
−	Cash paid for investments in intangible assets	26	−4,858	−3,414
+	Proceeds from disposal of non-consolidated equity investments		4,784	194,770
−	Cash paid for acquisitions of non-consolidated equity investments		−116,420	−11,014
+	Proceeds from sale of subsidiaries, net of cash disposed		47	0
−	Acquisition of subsidiaries, net of cash acquired	10	−1	−403
−	Cash outflows from changes in scope of consolidation (loss of control)		−37,376	−214
+	Cash received in connection with short-term financial management of cash investments		260,712	12,425
−	Cash paid in connection with short-term financial management of cash investments		−267,363	−15,420
=	**Cash flows from investing activities**		**−163,503**	**174,014**

		Notes	Jan 1 - Dec 31, 2014	Jan 1 - Dec 31, 2013
			in EUR thousand	
3.	**Cash flows from financing activities**			
+	Proceeds from issuance of shares to the equity holders of the parent	34	2,070,402	159,857
+	Proceeds from non-controlling interests		101,571	23,929
+	Proceeds from redeemable preference shares		4,980	0
−	Purchase of non-controlling interest without change in control		−225	0
−	Transaction costs on issue of shares		−25,081	0
+	Proceeds from borrowings		284	18,275
−	Repayment of borrowings		−835	−1,782
−	Dividends paid to equity holders of the parent (advance dividends)	35	−286,766	−80,574
=	**Cash flows from financing activities**		**1,864,330**	**119,706**
4.	**Cash and cash equivalents at the end of the period**			
	Net change in cash and cash equivalents (subtotal of 1 to 3)		1,606,267	232,612
	Net foreign exchange difference in cash and cash equivalents		−36	63
	Cash and cash equivalents at the beginning of the period		447,218	214,543
	Cash and cash equivalents at the end of the period	**32**	**2,053,448**	**447,218**

Rocket Internet SE

Notes to the Consolidated Financial Statements 2014 (IFRS)

1 Corporate and Group Information

General Information

Rocket Internet SE (until March 18, 2015 Rocket Internet AG, until July 1, 2014 Rocket Internet GmbH), hereinafter also referred to as "Rocket", the "Company" or "parent Company", is registered in the commercial register Charlottenburg of the district court in Berlin (Registration No.: HRB 165662). Rocket Internet SE registered office 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 Group" or the "Group".

The shareholders meeting of Rocket Internet GmbH on June 23, 2014 passed the resolution to convert the legal form of Rocket Internet GmbH to a stock corporation named "Rocket Internet AG". With the registration in the commercial register Charlottenburg of the district court of Berlin, the change of the legal form to Rocket Internet AG became effective on July 1, 2014.

The general meeting of Rocket Internet AG as of September 30, 2014 passed the resolution to converse the legal form of Rocket Internet AG to a 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.

Since October 2, 2014 the shares of the 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.

Business Activities

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

Rocket was founded in 2007 and has since then established numerous equity investments with activities in more than 110 countries on six continents. Rocket identifies and builds proven internet business models with a lower customer acceptance risk, which it implements mainly through the formation of new companies. It targets mainly new, underserved or untapped markets, in which the new companies are scaled with the aim to achieve market leadership positions.

A standardized approach for the formation of companies enables Rocket 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 has a flexible and scalable technology platform, which enables realizing more than ten new projects per year in its five target regions:

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

Rocket is focused on proven Internet-based business models that satisfy basic consumer needs across four core sectors:

- eCommerce (online trade),
- Marketplaces (specialized online markets for goods and services),
- Financial Technology (portals for intermediation of loans as well as payment services),
- Travel (new core sector since November 2014, including online travel bookings, package holidays and transport).

Furthermore, Rocket Group performs a range of IT, marketing and other services, in particular commercial and technical consulting services for its subsidiaries and non-consolidated equity investments. Rocket is usually intensely involved in the strategic leadership and tactical implementation of the business plans of subsidiaries and associated companies and joint ventures of the group (subsequently referred to as "network companies").

Rocket has created the Rocket 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. The platform rests on four pillars:

- Infrastructure

The central elements of infrastructure are Rocket's experts along the functional areas of an Internet business, regional leadership, entrepreneurs and strategic partners. This combination enables us to quickly respond to the respective market's particularities. At the same time, network structures can be developed with regional and supra-regional partners to speed up the building and scaling of Internet companies and to create barriers to entry for competitors.

- Processes

Rocket aims to reduce the customer adoption risk when a new company is built by transferring already existing concepts into untapped or underserved markets. Its processes begin with the identification of concepts and possible target markets. Next, the business is implemented and rolled out to the identified target markets in order to reach market leadership by scaling the business and creating sustainable successful companies.

- Technology

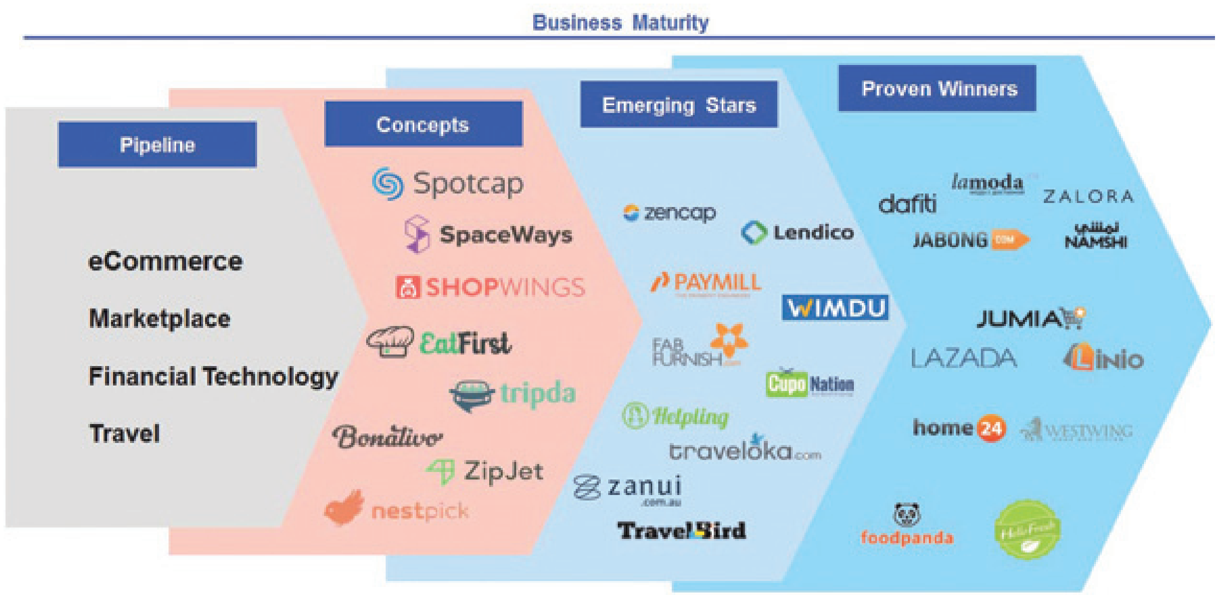
Rocket Group has developed technology platforms for eCommerce, Marketplaces, Travel and Financial Technology that can be easily adapted to the specific needs of the network companies. Furthermore, Rocket provides its network companies with a series of other tools along the value-chain of an Internet company.

- Network

The Rocket network consists of companies on six continents mainly in the areas of eCommerce, Marketplaces, Financial Technology and Travel. Within the network, experience and expertise are shared, business areas and models connected and the usage of human resources optimized.

Consumer Brands of the Company Network

The following graph shows a selection of the most important consumer brands used by network companies, subdivided by the maturity of the respective business into the investment categories Proven Winners, Emerging Stars and Concepts. For further information to the segments reference is made to Note 7.



We subdivide our network companies according to their maturity into the following main investment categories:

Category	Definition
Proven Winners	**Proven Winners** are our largest and most mature companies. They typically show a last financing round valuation of more than EUR 100 million and have existed for at least two years or generate more than EUR 50 million in sales.
Emerging Stars	**Emerging Stars** companies are typically smaller than our Proven Winners. They have completed financing rounds beyond the seed funding, generate revenue and have measurable key performance indicators that show significant growth.
Concepts	**Concepts** are companies that have recently been launched to the market or are in the process of being launched. The incorporation of these companies has been completed and seed financing has been provided or is to be provided shortly. Some Concepts have not yet completed a financing round with external investors.

Information about the consolidated Group

Rocket has a network of international Rocket offices as well as a large number of network companies in countries that are particularly relevant for online business.

While Rocket as well as some service center subsidiaries focus on providing services along the different functional areas of an Internet business, the operational business in the four target sectors (eCommerce, Marketplaces, Financial Technology and Travel)[1)] is carried out exclusively by Rocket's consolidated subsidiaries, associates and joint ventures under the umbrella of specifically created consumer brands.

In its role as group holding, Rocket 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 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 and other external investors. The external equity financing is provided by strategic partners and strategic and financial investors, including existing Rocket shareholders. These investments are either made directly into the company or indirectly into an intermediate holding company or a Regional Internet Group. Historically, this has meant that the direct and indirect stakes of Rocket in a company have decreased over time to less than 50%. Furthermore, for several companies in which Rocket holds a participation of more than 50%, shareholder agreements exist that lead to ongoing restrictions of Rocket's control over those network companies. Therefore as of December 31, 2014 Rocket does not consolidate most of its significant network companies (Proven Winners and Emerging Stars) but accounts for them using the equity method. The most important associated companies/joint ventures in the Rocket Group as of December 31, 2014 are:

Associated company	Consumer brands
Global Fashion Holding S.A.	Dafiti, Lamoda, Zalora/ The Iconic, Namshi, Jabong
TIN Brillant Services GmbH	Lazada, Linio
Home24 GmbH	Home24, Mobly
Westwing Group GmbH	Westwing
HelloFresh GmbH	HelloFresh
Emerging Markets Online Food Delivery Holding S.à r.l.	foodpanda, hellofood, Delivery Club
Africa Internet Holding GmbH	Jumia, Zando, Kaymu, hellofood, Lamudi, Carmudi, Jovago, Easy Taxi, Lendico
Middle East Internet Holding S.à r.l.	Carmudi, Lamudi, Easy Taxi, Helpling
Asia Internet Holding S.à r.l.	Daraz, Lamudi, Carmudi, Easy Taxi, Clickbus, Kaymu, Helpling, Jovago, Shopwings

As of December 31, 2014 the consolidated group comprised 138 fully consolidated companies in addition to Rocket Internet SE.

1) The Company's business activity is differentiated based on business models and specific regulatory requirements into four target sectors. Target sectors do not represent reportable segment as presented in Note 7.

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.

As a result of Rocket Internet being an operational Internet platform, the basis of consolidation is subject to changes in each financial period. During the reporting period, the consolidated group has developed as follows:

	Germany	Other countries	Total
As of Jan 1, 2013	91	32	123
Acquisitions	2	1	3
Foundings	3	23	26
First-time consolidation	4	4	8
Liquidation	0	−1	−1
As of Dec 31, 2013	100	59	159
Acquisitions	9	1	10
Foundings	9	58	67
First-time consolidation	25	39	64
Transition to associated company/joint venture	−64	−76	−140
thereof subsidiaries of associated companies/joint ventures transitioned	*(−62)*	*(−68)*	*(−130)*
Disposals	−9	−7	−16
Mergers/accretions/other	−5	0	−5
As of Dec 31, 2014	**65**	**74**	**139**

During the financial years 2013 and 2014 there were no acquisitions of subsidiaries that meet the definition of a business combination.

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

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

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

See Note 9 for information on the Group's Principal subsidiaries and Note 10 for Business combinations and acquisitions of subsidiaries.

As of December 31, 2014, the Rocket Group included 53 associated companies and joint ventures (previous year 28) which were accounted for using the at-equity method of accounting or accounted for at fair value through profit or loss (FVTPL). The portfolio of associated companies and joint ventures has developed as follows:

	Germany	Other countries	Total
As of Jan 1, 2013	23	1	24
Foundings	6	2	8
Disposals and other changes	−3	−1	−4
As of Dec 31, 2013	26	2	28
Transition of formerly consolidated entities	2	8	10
Foundings	5	4	9
Acquisitions	9	6	15
Disposals and other changes	−5	−4	−9
As of Dec 31, 2014	**37**	**16**	**53**
thereof at equity	*28*	*8*	*36*
thereof at FVTPL	*9*	*8*	*17*

See Note 11 for information on the Group's Investments in associates and joint ventures.

As a consequence of Rocket's business model there are significant changes from year to year in the scope of consolidated subsidiaries, associates and joint ventures. These changes limit to a certain extent the inter-period-comparability of the consolidated financial statements.

2 Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretation Committee (IFRS IC) approved by the IASB and in effect and adopted by the European Union (EU) at the reporting date.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out in the Note 3. These policies have been consistently applied to all the periods presented. Standards issued but not yet effective up to the date of issuance of the Group's financial statements are set out in the Note 5.

First Time Adoption

These consolidated financial statements are the Group's first consolidated financial statements prepared in accordance with IFRS as adopted by the EU. See Note 6 for information on the Group's first time adoption of IFRS.

General Information

The consolidated financial statements have been prepared on a historical cost basis, except for investments in available for sale financial assets, financial assets under fair value option, mandatorily redeemable preference shares issued by consolidated subsidiaries, contingent consideration and non-cash distribution liability that have been measured at fair value.

The profit and loss statement is drawn up using the nature of expense method.

Assets and liabilities are presented using the current and non-current classification.

In the Statement of Cash Flows the operating cash flows are derived using the indirect method, whereas the investing and financing cash flows are determined using the direct method.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents a balance sheet as of January 1, 2013 in these consolidated financial statements due to the first time adoption of IFRS.

The consolidated statements are presented in Euro (EUR) and all values are rounded to the nearest thousand except when 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 Company's financial year is the calendar year.

3 Summary of Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as of December 31, 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the network company and has the ability to affect those returns through its power over the network company.

Specifically, the Group controls a network company if and only if the Group has:

- Power over the network company (i.e. existing rights that give it the current ability to direct the relevant activities of the network company)
- Exposure, or rights, to variable returns from its involvement with the network company, and
- The ability to use its power over the network company to affect its returns.

When the Group has less than a majority of the voting or similar rights of a network company, the Group considers all relevant facts and circumstances in assessing whether it has power over a network company, including:

- The contractual arrangement with the other vote holders of the network company,
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls a network company if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary,
- Derecognizes the carrying amount of any non-controlling interests,
- Derecognizes the cumulative translation differences recorded in equity,
- Recognizes the fair value of the consideration received,
- Recognizes the fair value of any investment retained,
- Recognizes any surplus or deficit in profit or loss, and
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company.

Business combinations

The acquisition method of accounting is used to account for the acquisition of subsidiaries. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Group measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill, bargain purchase") is recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs related to the acquisition and incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt as part of the business combination are deducted from the carrying amount of the debt and all other transaction costs associated with the acquisition are expensed.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the network company, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for

a) using the equity method or

b) at fair value through profit or loss

Investment in associates and joint ventures – equity method

The equity method is applied for network companies with operations that are closely related to that of Rocket. The network companies are often former subsidiaries of the Group and Rocket is intensely involved in the strategic leadership and implementation of the business plans of such investees.

An investment is accounted for using the equity method from the date it becomes an associate or joint venture. Under the equity method, the investment in an associate or joint venture is initially recognized at cost (including transaction costs and the initial fair value of any contingent consideration agreement). The concepts underlying the procedures used in accounting for the acquisition of a subsidiary are also adopted for the acquisition of an associate and joint venture (including situations where the equity method is to be applied following a loss of control). Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

In case the Group acquires additional interests in an associate or joint ventures and the equity method is still applied (step acquisitions) the additional interest is initially recognized at cost (including transaction costs and the initial fair value of any contingent consideration agreement). The concepts underlying the procedures used in accounting for the acquisition of a subsidiary are also adopted for the acquisition of the additional interest in the associate and joint venture.

The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date:

The statement of comprehensive income reflects the Group's share of the net income of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or the joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate.

The proportionate share of expenses resulting from equity settled share-based payments of associates and joint ventures are offset by the corresponding increase in equity of associates and joint ventures. Therefore the equity settled share-based payments at the level of associates and joint ventures do not have an impact on both, the subsequent measurement of associates and joint ventures in the Group's balance sheet as well as on the share of profit/loss of associates and joint ventures recognized in the statement of comprehensive income.

Rocket accounts for a dilution of its investment caused by a share issuance by an equity method investee to a third party as if the Group had sold a proportionate share of its investment (deemed disposal). Besides deemed disposals, share of profit/loss of associates and joint ventures also include gains or losses from regular disposals of the Rocket's direct or indirect interests in associated companies.

The aggregate of the Group's share of profit or loss of an associate or joint venture is shown on the face of the statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as 'Share of profit/loss of associates and joint ventures' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The shareholders' agreements for associates and joint ventures to which Rocket is a party are important instruments for steering the economic rights among the various investors in these entities and are designed, to protect shareholders and to facilitate corporate issues and transactions. In the event of a network company' IPO the shareholders' agreements shall, as from the commencement of trading of the network company's shares on a stock exchange, cease to have effect. The shareholders' agreements include certain waterfall provisions, which stipulate the order for distributing proceeds from a transfer of shares that result in, or is deemed to be, a change of control or in case of liquidation to the shareholders. Typically, if triggered, the liquidation preference entitles investors who invested in later financing rounds, which generally means at a higher valuation, to recoup their investment before other shareholders are paid. Investors who invested in the early stage of a company are usually paid last. As Rocket is typically among the first investors in a network company, Rocket will generally be able to recoup its investments if the transfer or liquidation proceeds equal or exceed the sum of the investments made by all investors in the company. Any remainder over the sum of the investments of all investors is shared among all shareholders of the company pro rata to their shareholdings or – in case of a share transfer – to the shares transferred by them. Any amount received by an investor prior to the pro rata allocation is typically deducted from such investor's stake in the pro rata allocation. In course of the valuation of shares in associates and joint ventures the Group carefully assesses the accounting implications of the regulations in the shareholders' agreements. The valuations consider the preferential rights the owned shares have in case of liquidation or sale of the entire network company.

Investment in associates and joint ventures – at fair value through profit or loss

This method is applied for investees where Rocket is acting as an investor within the meaning of IAS 28.18. Reference is made to for accounting policy for financial assets at fair value through profit or loss.

Revenue recognition

The company generates revenues primarily from sales of goods (eCommerce), intermediation services (Marketplaces and Financial Technology) and other services including consulting services provided for associated companies and other non-consolidated entities.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

In case customer rights to return goods exist revenues are only recognized before the return period expires if reliable estimates about the expected returns can be derived from past experience taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The expected returns of goods are presented on a gross basis in the profit and loss statement. Rocket reduces revenue by the full amount of sales that it estimates will be returned. The dispatch of goods that is expensed in full upon shipping is then corrected by the estimated amount of returns. Rocket also shows the gross figure for the return of goods in the balance sheet. The right to recover possession of goods from expected sales returns is recognized under other non-financial assets. The amount of the assets corresponds to the cost of the goods delivered for which a return is expected, taking into account the costs incurred for processing the returns and the losses resulting from disposing of these goods. Trade receivables that have not yet been paid and that have underlying transactions that are not expected to be closed due to the goods being returned are derecognized. For customer receivables already paid and for which returns are expected in the future, Rocket recognizes a refund obligation vis-à-vis the customer within other current financial liabilities

The Company evaluates whether it is appropriate to record the gross amount of product sales and related costs. When the company is primarily obligated in a transaction, is subject to inventory risk, has latitude in establishing prices and selecting suppliers, or has several but not all of these indicators, revenue is recorded at the gross sales price. The Company records the net amounts as commissions earned if the company is not primarily obligated and does not have latitude in establishing prices. Such amounts earned are determined using a fixed percentage, a fixed-payment schedule, or a combination of the two.

Revenue from commissions is earned and recognized at the point of order fulfilment to the customers. This is the point at which an intermediation service is successfully processed and the Group has no remaining transactional obligations.

Revenue from consulting services is recognized by reference to the stage of completion. Stage of completion is measured by reference to labor hours incurred to date as a percentage of total estimated labor hours for each contract. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Transactions are settled by prepayments, credit card, invoicing, PayPal and further country specific payment methods.

Dividends and Interest Income

Dividends are recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

For all financial instruments measured at amortized cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

Sales tax (VAT and similar taxes)

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Foreign currency transactions and translation

The financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group financial statements are presented in Euro (EUR), which is also the parent company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and short-term deposits are presented in the income statement within finance costs, net. All other foreign exchange gains and losses are presented in the income statement within other operating income or expenses.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(c) all resulting exchange differences are recognized in other comprehensive income.

Share-Based Compensation – equity settled transactions at subsidiary levels

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

- share options in the Company,
- ordinary shares in subsidiaries ("share awards"),
- share options in subsidiaries.

The total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award made. For share awards, the Group analyses whether the price paid by a participant, if any, is in line with the estimated market price of the underlying shares at the grant date. If a positive difference exists between (i) the estimated market value of the shares and (ii) the purchase price; this results in a fair value to be reported and recognized as a share-based payment expense. For share options granted, the grant date fair value is determined using the Black Scholes option valuation formula.

The fair value determined at the grant date is expensed on a straight-line basis over the respective vesting period, based on the Group's estimate of the number of shares that will eventually vest, with a corresponding credit to equity.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. The vesting period usually starts with the grant date of the award.

However, the recognition of expense may start at an earlier service commencement date when awards need to be formally approved after the employee has started providing services.

The Group recognizes compensation expense from the beginning of the service period, even when the grant date is subsequent to the service commencement date. During the period between service commencement date and grant date, the share-based payment expense recognized is based on the estimated grant date fair value of the award. Once the grant date has been established, the estimated fair value is revised so that the expense is recognized prospectively based on the actual grant date fair value of the equity instruments granted.

For awards with graded-vesting features, each instalment of the award is treated as a separate grant. This means that each instalment is separately expensed over the related vesting period. Some instalments vest only upon the occurrence of a specified exit event (e.g. IPO) of the subsidiary or 12 months after such event and the employee is still employed with or the individual provides services to a group entity. These instalments are expensed over the expected time to such vesting event. Exit conditions linked with continued service are considered non-market vesting conditions. Therefore, share-based expense would be reversed if no such event occurs by the time the awards elapse. Non-market performance and service conditions are included in the assumptions about the number of options and shares that are expected to vest.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance or service conditions are satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options and shares that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

When the terms of equity-settled awards are modified, as a minimum, the expenses recognized are measured at the grant date fair value, to the extent the non-market vesting conditions attached to the awards are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

The expenses related to equity-settled share-based compensation arrangements are recognized as personnel expenses.

Application of the equity method of accounting – equity settled share-based payments at the level of associates/ joint ventures

The expenses resulting from equity settled share-based payments of associates and joint ventures are offset by the corresponding increase in equity of associates and joint ventures. As a result the total equity of the respective network company remains unchanged.

As there is no change in the Group's share in the equity of the equity method investee, the proportionate share of expenses resulting from the equity settled share-based payments at the level of associates and joint ventures do not have an impact on both, the subsequent measurement of associates and joint ventures in the Group's balance sheet as well as on the share of profit/loss of associates and joint ventures recognized in the Group's statement of comprehensive income. As presently there is no clear guidance from the IASB on this topic, the accounting policy applied currently by Rocket may be subject to changes in the future.

Share-Based Compensation – cash settled

The Group recognizes a liability for the services received from its employees in cash-settled share-based payment transactions. The Group re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognized in profit or loss for the period as employee benefit expenses. The liability is recognized over the vesting period (if applicable).

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, where required.

Costs of minor repairs and maintenance are expensed when incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in profit or loss for the year within other operating income or expenses.

Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives between 1 to 15 years. Leasehold improvements are depreciated over their estimated useful lives or the shorter lease term.

The residual value of an asset is the estimated amount that the Company would currently obtain from disposal of the asset less the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Operating leases

Where the Company is a lessee in a lease which does not transfer substantially all the risks and rewards incidental to ownership from the lessor to the Company, the total lease payments are charged to profit or loss for the year on a straight-line basis over the lease term. The lease term is the non-cancellable period for which the Company has contracted to lease the asset together with any further terms for which the lessee has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the lessee will exercise the option.

Goodwill

Goodwill is initially carried at cost less accumulated impairment losses, if any. Goodwill is allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the business combination. Such units or groups of units represent the lowest level at which the Company monitors goodwill and are not larger than an operating segment.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. The Company tests goodwill for impairment at least annually and whenever there are indications that goodwill may be impaired. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Gains or losses on disposal of an operation within a cash generating unit to which goodwill has been allocated include the carrying amount of goodwill associated with the disposed operation, generally measured on the basis of the relative values of the disposed operation and the portion of the cash-generating unit which is retained.

Intangible assets

The Company's intangible assets have definite useful lives and primarily include acquired computer software and other licenses, trademarks and internally developed software.

Acquired computer software and other licenses are capitalized on the basis of the costs incurred to acquire and bring them to use.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Costs that are directly attributable to the design, development and testing of identifiable and unique software products controlled by the Company are recognized as internally developed software when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product mainly include the software development employee cost. Other development expenditures that do not meet these criteria are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

Intangible assets are amortized using the straight-line method over their useful lives:

	Useful lives in years
Internally developed software	3 - 5 years
Acquired other intangible assets	1 - 15 years

Impairment of property, plant and equipment and intangible assets

Whenever events or changes in market or business conditions indicate a risk of impairment of property, plant and equipment or intangible assets or a cash generating unit ("CGU"), if applicable, management estimates the recoverable amount, which is determined as the higher of an asset or CGU's fair value less costs to sell and its value in use. A CGU is defined as the lowest level of identifiable cash inflows. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss for the year.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost of inventory is determined based on the weighted average cost. The cost of inventory includes the costs of purchase or production and costs incurred to bring the inventories to their present location and condition such as shipping and handling.

Write-down expenses due to obsolete and slow moving inventory are deducted from the carrying amount of the inventories.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement of financial assets

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables

- Held-to-maturity investments
- Available for sale financial assets (AFS financial assets)

Financial assets at fair value through profit or loss

Equity investments in this category are continuously measured at fair value. Fair value changes are reported in the statement of profit or loss. This category has two subcategories: Financial assets that are initially placed in this category ("Fair value option") and held-for-trading financial assets.

All of Rocket's equity investments in this category have been allocated to the first of the subcategories and include financial assets that are managed and measured on the basis of fair values in accordance with the risk management and investment strategies. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The group does not have any held-for-trading financial assets.

See Note 42 for information on the Group's equity investments at fair value through profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss in other operating expenses.

Loans and receivables are included in current assets, except for those having maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise loans, trade receivables, cash and cash equivalents and other financial assets in the balance sheet.

Trade receivables are initially recognized at fair value which primarily represents the original invoice amount. Subsequently allowances for doubtful accounts are made when there is objective evidence that the Company may not be able to collect the trade receivable. Balances are written off when recoverability is assessed as being remote. The write off is recognized in other operating expenses.

Cash and cash equivalents include cash at hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, for which the risk of changes in value is considered to be insignificant.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. The Group did not have any held-to-maturity investments during the years ended December 31, 2014 and 2013.

AFS financial assets

AFS financial assets include equity investments. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss.

After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized in OCI and credited in the AFS reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in finance income/costs.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If, in a subsequent year, the amount of the estimated impairment loss of financial assets recognized at amortized costs increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited in the statement of profit and loss.

In the case of equity investments classified as AFS, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the statement of profit or loss – is removed from OCI and recognized in the statement of profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized in OCI.

Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, refund liabilities from sales with a right of return and liabilities from mandatorily redeemable preference shares issued by a consolidated subsidiary.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Group's policy does not permit any trading with financial instruments. Accordingly, no financial derivatives are utilized.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss contain solely liabilities from mandatorily redeemable preference shares issued by one of the consolidated subsidiaries to a third party investor (minority shareholder). The mandatorily redeemable preference shares take the legal form of equity but are liabilities in substance pursuant to IAS 32.18(a).

Loans and borrowings

This is the category of financial liabilities most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and trade payables. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Loans and borrowings are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new equity instruments are shown, net of taxes, in equity as a deduction from the proceeds.

Any excess of the fair value of consideration received over the notional value of shares issued is recorded as share premium in the capital reserves.

Dividends

Cash or non-cash distributions to equity holders of the parent are recorded as a liability and deducted from equity in the period in which they are declared and approved by the shareholders and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value remeasurement recognized directly in equity. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognized in the statement of profit or loss.

Provisions

Provisions are non-financial liabilities of uncertain timing or amount. They are accrued when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

Income taxes

Income taxes have been provided for in the financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge or credit comprises current tax and deferred tax and is recognized in profit or loss for the year, except if it is recognized in other comprehensive income or directly in equity because it relates to transactions that are also recognized, in the same or a different period, in other comprehensive income or directly in equity.

Current tax is the amount expected to be paid to, or recovered from, the taxation authorities in respect of taxable profits or losses for the current and prior periods. Taxable profits or losses are based on estimates if financial statements are authorized prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, in accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither book nor taxable profit.

Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilized.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilized.

The Company controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal ("outside basis differences"). Deferred tax liabilities are not recognized on such temporary differences except to the extent that Management expects the temporary differences to reverse in the foreseeable future.

Earnings per share

The Company presents basic and diluted earnings (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for the effects of all potential dilutive ordinary shares which comprise convertible and redeemable preference shares and share options granted to employees. For more information see Note 24.

Segment reporting

In accordance with IFRS 8 – Operating Segments, segment reporting is constructed on the basis of internal management data used for performance analysis of businesses and for the allocation of resources. An operating segment is a distinct component of the group which is engaged in the supply of distinct products and services and which is exposed to risks and returns different from the risks and the returns of other operating segments. See Note 7 for further information.

4 Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies.

Judgements that have the most significant effect on the amounts recognized in the financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year have been discussed below and are also described in the individual notes of the related financial statement line items.

Significant accounting judgement

Shareholders' agreements – Assessment of control, joint control or significant influence over network companies

The shareholders' agreements to which Rocket is a party are important instruments for steering the corporate governance of network companies. The shareholders' agreements typically specify that a number of important decisions need to be taken by the shareholders. These important decisions are referred to as reserved matters. The shareholders' agreements often distinguish between investors and non-investors and require a qualified majority of investors and, in certain cases, an unanimous vote of the investors for decisions regarding reserved matters. Sometimes the decision on reserved matters is conferred on an advisory board. This means that the Company typically cannot take or block decisions on reserved matters alone, but needs the support of one or more other investors. The reserved matters include fundamental decisions about the relevant entities, its operative and strategic plans and important transactions that exceed certain thresholds.

Based on the regulations in the shareholders' agreements the Company assesses whether

- it controls a network company particularly when it is exposed, or has rights, to variable returns from its involvement with the network company and has the ability to affect those returns through its power over the network company,
- it is a party of an arrangement of which two or more parties have joint control,
- it has a power to participate in the financial and operating policy decisions of the network company but is not in control or joint control of those policies (significant influence).

Whether or not the Group controls a network company depends on an evaluation of a number of factors, including, among others, representation on its board of directors and the voting and other rights of other investors, including their participation in significant decisions made in the ordinary course of business (e.g., approval of the annual operating budget), as well as the Group's ownership level of the outstanding voting rights of the subsidiary. We refer to Note 9.

Deemed disposals of subsidiaries – fair value measurement of interest retained

A deemed disposal occurs where the proportionate interest of a parent company in a subsidiary is reduced other than by an actual disposal, for example by the issuance of shares to a third party investor by the subsidiary. When the Group has no longer control, the remaining interest is measured at fair value as at the date the control was lost. When establishing the fair value the group takes into account all the facts and circumstances surrounding the transactions such as timing, transaction size, transaction frequency and motivations of the investors. The Group considers whether such a transaction has been made at arm's length. For new share issues, the Group also considers whether the newly issued shares have preferences to the investee's assets over earlier issued shares if the investee is being liquidated or sold. We refer to Note 15.

Designation of equity instruments as financial assets at fair value through profit and loss

The Group has designated certain associated companies and other equity investments 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 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 Fund for shares in Rocket as well as other equity investments with ownership percentages below 20%. Furthermore the Group designated the remaining stake in Zalando SE as financial assets at fair value through profit and loss. In a series of transactions, Rocket spun off nearly its entire stake in Zalando SE in 2013 (see Note 43 for further details). Rocket holds the shares in Zalando SE primarily to satisfy its obligations resulting from options granted to former employees. See Note 42 for information on the Group's equity investments measured at fair value through profit and loss.

Share-based compensation

The Group has analyzed all the terms and conditions of its share-based payment awards to determine the appropriate classification of the awards recognized under IFRS 2, Share-based Payment. Some of the awards in consolidated subsidiaries include put rights of employees and others providing similar services that may only be exercised at a specified date more than 10 years from the reporting date at a price less than the market value of the interests held by employees. Other terms and conditions of these awards allow a subsidiary to settle the awards in equity or to avoid any cash payment. Based on this analysis, the Group assessed it has two settlement scenarios. One scenario would be considered cash-settled in its entirety, whereas the other scenario would be considered equity-settled in its entirety. Given the exit strategies of the Group that would allow settling in equity, the Group concluded that it has no present obligation to settle in cash and therefore recognized those share-based payment awards as equity-settled plans. This management judgment is re-assessed at each reporting date. For more information see Note 40.

Critical Accounting Estimates and Assumptions

Deferred income taxes

We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carry forward periods available to us for tax reporting purposes, as well as other relevant factors. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law or variances between our actual and anticipated operating results, we assess the likelihood of future realization of our deferred tax assets based on our judgments and estimates. Therefore, actual income taxes could materially vary from these judgments and estimates. For further information we refer to Note 23.

Share-based compensation – Equity settled transactions at subsidiary levels

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. This grant date fair value remains unchanged throughout the life of the award. As the consolidated subsidiaries of the Group are unlisted, estimating fair value for share-based payment transactions (ordinary shares and options) requires the use of the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

In determining the fair values of a consolidated subsidiary's ordinary shares, as of each award grant date, three generally accepted approaches were considered: income approach, market approach and cost approach.

We have employed the "prior sale of company stock" method, a form of the market approach, to estimate the aggregate enterprise value at the level of some intermediate holding subsidiaries of the Company. The prior sale of company stock method considers any prior arm's length sales of the group subsidiary's equity securities. Considerations factored into the analysis include: the type and amount of equity sold, the estimated volatility, the estimated time to liquidity, the relationship of the parties involved, the risk-free rate, the timing compared to the ordinary shares valuation date and the financial condition and structure of the company at the time of the sale. As such, we have benchmarked the value per share to the external transactions of subsidiary shares and external financing rounds. Throughout 2013 and 2014, the respective subsidiaries held a number of financing rounds which resulted in the issuance of new shares. The new shares were transacted with numerous existing and new investors, and therefore we consider the pricing a strong indication of fair value.

We have applied the income approach to estimate the enterprise value of a subsidiary of an intermediate holding subsidiary. The income approach is a technique by which fair value is estimated based on cash flows expected to be generated into the future. The principle behind this approach is that the value of the subsidiary is equal to the earnings potential. The future cash flows are discounted using a weighted average cost of capital that takes into consideration the stage of development of the business and the industry and geographies in which we operate. The total sum of all equity values based on discounted cash flows of the operating companies were reconciled to the total equity value of the Holding Company on basis of financing rounds (i.e. "prior sale of company stock" method).

Given that there are multiple classes of equity at the subsidiary level, we employed the hybrid method in order to allocate equity to the various equity classes. The Hybrid method is a hybrid between the probability-weighted expected return method ("PWERM") and the Option Pricing Method ("OPM"), which estimates the probability weighted value across certain exit scenarios, but uses the OPM to estimate the remaining unknown potential exit scenarios.

A discount for lack of marketability ("DLOM") was applied, corresponding to the time to exit under the various scenarios to reflect the increased risk arising from the inability to readily sell the shares. When applying the DLOM, the Finnerty option pricing model was used. Under this method, the cost of the put option, which can hedge the price change before the privately held shares can be sold, was considered as the basis to determine the DLOM.

In addition, we are required to estimate share-based compensation expense net of estimated forfeitures. In determining the estimated forfeiture rates for share-based awards, we periodically conduct an assessment of the actual number of equity awards that have been forfeited to date as well as those expected to be forfeited in the future. We consider many factors when estimating expected forfeitures, including the type of award, the employee class and historical experience. If our actual forfeiture rate is materially different from our estimate, the share-based compensation expense could be significantly different from what we have recorded in the current period.

The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 40.

5 New Accounting Pronouncements

New standards and amendments to existing standards issued but not yet effective up to the date of issuance of the Group's financial statements which are relevant for the Group are listed below. The Group intends to adopt those standards when they become effective within the EU.

IFRS 9 Financial Instruments: Classification and Measurement. In July 2014, the IASB published the final version of the chapter – IFRS 9 Financial Instruments. The new standard provides new guidance on the classification and measurement of financial assets and liabilities, introduces a new impairment model for financial assets as well as new rules on hedge accounting. The current rules of IAS 39 will be replaced with this new standard. The impact of the standard is currently being analyzed. The Company intends to implement IFRS 9 starting January 1, 2018, insofar an endorsement from the EU will have been passed in time and the effective date included in IFRS 9 is confirmed by the EU.

IFRS 15 Revenues from Contracts with Customers (issued on May 28, 2014 and effective for annual periods beginning January 1, 2018). The standard outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It supersedes current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The core principle is that an entity recognizes revenue to reflect the transfer of goods or services to customers at an amount that represents the consideration to which the entity expects to be entitled in exchange for those goods or services. The Group has started to analyze the impacts of this new standard after the issuance of the Group financial statements. The Company plans to apply this standard in periods starting January 1, 2018 if it has been endorsed by the EU by this date and the date of first-time mandatory adoption is confirmed.

Amendments to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint venture' (effective January 1, 2016). Due to the conflict between IAS 28 and IFRS 10 in the context of a gain or loss arising on the loss of control of a business, the IASB recommended the following amendments:

- IAS 28 to be amended as to reflect that the partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 *Business Combinations*.
- IAS 28 to be amended as to reflect that the gain or loss resulting from the sale or contribution to an associate or joint venture that constitute a business in line with IFRS 3 *Business Combinations* has to be recognized in full.
- IFRS 10 to be amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 to an associate or joint venture is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments are applicable prospectively to transactions occurring in annual periods beginning on or after January 1, 2016. This amendment has no impact since in substance this method is already applied in the consolidated financial statements.

Amendments to IAS 1 Presentation of financial statements disclosure initiative (effective January 1, 2016). The amendments to IAS 1 clarify the following three areas:

- **Materiality:** (1) information should not be obscured by aggregating or by providing immaterial information, (2) materiality considerations apply to all parts of the financial statements, and (3) even when a standard requires a specific disclosure, materiality considerations do apply.
- **Statement of financial position and statement of profit or loss and other comprehensive income:** The amendments (1) introduce a clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and (2) clarify that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.
- **Notes**: The amendments add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Company intends to implement these amendments starting January 1, 2016, insofar an endorsement from the EU will have been passed in time and the effective date included in these amendments is confirmed by the EU.

Annual Improvements to IFRS (Cycle 2010-2012). In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In December 2013, the IASB published the annual improvements to IFRS (Cycle 2010-2012) which affect IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 7, IAS 16, IAS 24 and IAS 38. Application of the amendments is mandatory for fiscal years beginning on or after February 1, 2015 in the EU. Earlier application is permitted.

Annual Improvements to IFRS (Cycle 2011-2013). In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In December, 2013 the IASB published the annual improvements to IFRS (Cycle 2011-2013) which affect IFRS 1, IFRS 3, IFRS 13 and IAS 40. Application of the amendments is mandatory for fiscal years beginning on or after January 1, 2015 in the EU. Earlier application is permitted.

Annual Improvements to IFRS (Cycle 2012-2014). In the context of its annual improvements process, the IASB amends existing standards. These amendments are considered necessary, but do not substantially modify the respective guidance. In September 2014 the IASB published the annual improvements to IFRS (Cycle 2012-2014) which affect IFRS 5, IFRS 7, IAS 19 and IAS 34. Application of the amendments is mandatory for fiscal years beginning on or after January 1, 2016. Earlier application is permitted. The Company intends to implement these amendments starting January 1, 2016, insofar an endorsement from the EU will have been passed in time and the effective date included in these amendments is confirmed by the EU.

Unless otherwise described above, the new standards and interpretations issued by the IASB and to be adopted for the first time in the future are not expected to significantly affect the Group's financial statements.

6 First-time Adoption of IFRS

These financial statements are the Company's first annual financial statements that comply with IFRS. The Company's IFRS transition date is January 1, 2013. For the year ended December 31, 2014, the Group prepared its financial statements in accordance with German generally accepted accounting principles (HGB). Subject to certain exceptions, IFRS 1 requires retrospective application of the version of standards and interpretations effective for the year ended December 31, 2014. These versions of standards and interpretations were applied in preparing the opening IFRS financial statements as of January 1, 2013 and in subsequent periods up to the end of the first IFRS reporting period. In preparing these financial statements, the Company has applied the mandatory exceptions. Except for the exemption not to apply IFRS 2 retrospectively on plans that already vested before transition date; as well as for the retrospective application of IFRS 3 (also in conjunction with the application of the equity method of accounting), the Company has elected not to apply the other optional exemptions from retrospective application.

Exceptions from retrospective application, which are mandatory under IFRS 1 are:

a) ***Hedge accounting exception.*** The Company does not apply hedge accounting.

b) ***Estimates exception.*** Estimates under IFRS as of January 1, 2013 and December 31, 2013 should be consistent with estimates made for the same dates under previous GAAP, unless there is evidence that those estimates were in error.

The reconciliation of the net loss reported in accordance with previous GAAP (HGB) to the total comprehensive income in accordance with IFRSs for the years 2013 and 2014 is as follows:

	2014	2013
	in thousands of EUR	
Net loss/income reported in accordance with HGB	−20,177	174,185
Effects of changes in accounting policies:		
Gain on deconsolidation of subsidiaries	393,546	0
Gain from distribution of non-cash assets to owners	60,594	0
Transaction costs directly attributable to the raising of capital, net of tax	34,423	0
Profit/loss from associated companies and joint ventures	27,216	1,253,575
Fair value measurement of equity instruments	13,244	28,171
Scope of consolidation	−25,668	−33,664
Share-based payment	−59,177	−32,029
Recognition of internally developed software	2,878	2,480
Other P&L-effects	1,928	2,835
Other comprehensive income	**78,241**	**9,237**
thereof exchange differences on translation of foreign operations	−455	785
thereof share of changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	80,238	8,254
thereof other OCI	−321	321
thereof deferred taxes on the share of changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures	−1,220	−123
Total comprehensive income under IFRS	**507,048**	**1,404,790**

The reconciliation amount for the profit/loss from associated companies and joint ventures in 2013 of EUR 1,253,575 thousand mainly includes the effect from the different accounting treatment of the disposal of Zalando shares in exchange for treasury shares. Under IFRS the Group recognized the difference between the fair value of the acquired treasury shares (EUR 1,023,445 thousand) and the carrying amount of the disposed Zalando shares (EUR 119,636 thousand) as a disposal gain (EUR 903,809 thousand). No such gain was recognized under previous GAAP as the acquisition costs of the treasury shares were measured based on the book values of the disposed Zalando shares. Please, also refer to Note 11.

The reconciliation of equity reported in accordance with previous GAAP (HGB) to equity in accordance with IFRSs is as follows:

	Dec 31,2014	Dec 31,2013	Jan 1,2013
	In thousands of EUR		
Equity under HGB	**2,638,618**	**772,965**	**622,460**
Effects of changes in accounting policies:			
Associated companies and joint ventures	913,930	320,283	−26,395
Fair value measurement of equity instruments	258,956	38,856	10,684
Scope of consolidation	0	11,276	26,626
Cash settled share-based payments	−36,530	−28,648	−10,701
Recognition of internally developed software	6,975	5,282	3,505
Mandatorily redeemable preference shares issued by a consolidated subsidiary	−4,950	0	0
Deferred tax liabilities	−3,479	−3,509	−3,362
Other	−1,663	−179	589
IFRS Equity	**3,771,857**	**1,116,325**	**623,406**

Associated companies and joint ventures – The measurement of associated companies and joint ventures is performed using the equity-method. Under IFRS the equity-measurement is based on the consolidated IFRS financial statements of the associated companies and joint ventures. Under previous GAAP the equity-measurement was based on the consolidated HGB financial statements. The difference between the measurement of associated companies and joint ventures according to IFRS and HGB reflects the difference in equity of those companies in their IFRS and HGB financial statements. The profit/loss from associated companies and joint ventures for 2013 also includes the abovementioned disposal gain (EUR 903,809 thousand). The disposal gain does not have an impact on equity as of December 31, 2013.

Fair value measurement of equity instruments – Several equity instruments were measured at fair value through profit or loss under IFRS. Those equity instruments were measured at cost under previous GAAP.

Gain on deconsolidation of subsidiaries –Any retained non-controlling investment in the former subsidiary is measured at fair value. Those investments retained were measured at Group's share in net assets of the former subsidiary under previous GAAP.

Gain from distribution of non-cash assets to owners – Under previous GAAP no gain from distribution of non-cash assets to owners was recognized whereas such distribution are recognized at fair value under IFRS with a gain recognition from the derecognition of the respective non-cash assets.

Scope of consolidation – Due to the application of IFRS 10 the scope of consolidation under IFRS differs from the scope of consolidation under previous GAAP, since under previous GAAP certain policy choices have been exercised. The main difference results from the addition of Africa eCommerce Holding GmbH and its 48 subsidiaries to the Rocket Group.

Transaction costs – Transaction costs directly attributable to the raising of capital, net of tax, were expensed under German GAAP whereas IFRS requires to deduct such costs from equity.

Share-based payments – The differences shown for share-based payments in the total comprehensive income contain measurement differences between IFRS and previous GAAP that relate to equity settled and cash-settled share-based payment transactions. Equity-settled share-based payments are recognized and measured in accordance with IFRS 2. They were not recognized under previous GAAP.

The differences shown for share-based payments in equity result from measurement differences in cash-settled share based compensation plans. Equity-settled share-based payments do not have an impact on equity.

Differences from share based payment plans that relate to differences in the scope of consolidation are not included in this position, but in the position Scope of consolidation.

Recognition of internally developed software – Internally developed software was recognized as intangible assets in accordance with IAS 38. These costs were expensed as incurred under previous GAAP.

Other comprehensive income – Since total comprehensive loss was not presented in the financial statements in accordance with previous GAAP, the table above presents a reconciliation of the net income/loss in accordance with previous GAAP and the total comprehensive income in accordance with IFRS.

The reconciliation of the cash flows reported in accordance with previous GAAP to the cash flow statement in accordance with IFRSs for the years 2013 and 2014 is as follows:

	2014	2013
	In thousands of EUR	
Cash flows from operating activities under German GAAP	−90,396	−38,904
Effects of changes in accounting policies:		
Differences in scope of consolidation	−4,165	−22,204
Cash flows from operating activities under IFRS	**−94,561**	**−61,108**

	2014	2013
	In thousands of EUR	
Cash flows from investing activities under German GAAP	−126,088	172,477
Effects of changes in accounting policies:		
Cash outs from changes in scope of consolidation	−37,376	−214
Differences in scope of consolidation	−39	1,751
Cash flows from investing activities under IFRS	**−163,503**	**174,014**

	2014	2013
	In thousands of EUR	
Cash flows from financing activities under German GAAP	1,864,330	116,824
Effects of changes in accounting policies:		
Differences in scope of consolidation	0	2,882
Cash flows from financing activities under IFRS	**1,864,330**	**119,706**

Under previous GAAP cash outs from changes in scope of consolidation were presented as reconciliation difference within cash and cash equivalents.

7 Segment Information

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

An Operating segment is represented by each network company. In case such network company represents an intermediate holding company for a single or multiple internet business models, each internet business model represents an operating segment.

The amounts provided to the CODM are primarily measured in a manner consistent with that of the financial statements. The CODM assesses the performance of the operating segments based on a number of financial metrics, including revenue, EBITDA and cash and cash equivalents. One-off effects from legal and capital reorganization at the level of intermediate holding companies are not reflected on operating network company level and therefore not included in the segment information provided below.

Sales between segments are carried out at arm’s length.

Subject to the last financing round valuation and the revenue of the last two years, operating segments are designated as “Proven Winners”, “Emerging Stars” or “Concepts”. Other operating segments are represented by Rocket’s Regional Internet Groups. Other shareholdings referred to as Strategic Participations and Other investments do not qualify as operating segments.

The following six aggregated reportable segments could be identified: E-Commerce Home & Living, E-Commerce Fashion 1 and E-Commerce Fashion 2 (together E-Commerce Fashion), E-Commerce General Merchandise, E-Commerce Food and Marketplace. The aggregated reportable segments solely reflect the business activities of the Proven Winner. Network Companies other than Proven Winner do not meet the thresholds for reportable segments.

E-Commerce Fashion 1 comprises the businesses of the four operating segments Dafiti (Latin America), Lamoda (Russia/CIS), Namshi (Middle East) and Zalora (Asia Pacific), which operate retail fashion businesses and offer among other products clothing, shoes and accessories.

E-Commerce Fashion 2 comprises the businesses of Jabong (India). Jabong operates a wholesale business and offers among other products clothing, shoes and accessories.

The segments E-Commerce Fashion 1 and E-Commerce Fashion 2 are combined for presentation purposes to reflect the constitution of the Global Fashion Group as a discrete operating segment in December 2014. Global Fashion revenue as presented in note 11 reflects all five fashion ventures only between establishing of Global Fashion Group in December 2014 and period end. Furthermore, EBITDA of Global Fashion is affected by gains from the disposition of its investments as the result of the constitution of Global Fashion Group. Hence, Global Fashion financial information (see note 11) is not comparable to the E-Commerce Fashion segment information that include all five fashion ventures for a 12 months period.

E-Commerce Home & Living includes the business of Home 24, a leading online retailer for home and living products, operating in Europe and Latin America, and Westwing, an online marketplace offering a frequently changing, curated selection of home&living products in Europe, CIS and Latin America.

The segment **E-Commerce General Merchandise** includes Linio, Jumia and Lazada. Linio is a multi-category eCommerce portal with own delivery services in Latin America, offering a large product assortment incl. electronics, home & living, fashion, sports, kids, health & beauty and media. Jumia is an online shopping mall in Africa. The focus of the company lies on fashion and electronics, which are offered through two operating models, the business-to-consumer eCommerce and the online marketplace that provides a sales platform for retailers. Lazada operates an online shopping and selling destination for assorted merchandise in Southeast Asia.

E-Commerce Food includes the business of HelloFresh. HelloFresh operates a subscription business model and delivers healthy recipes with required pre-portioned ingredients to customers in Europe, North America and Asia-Pacific.

The segment **Marketplace** includes the business of foodpanda, which operates the leading emerging markets online marketplace for food delivery and takeaway.

The segment **Other** includes the business activities of Rocket Internet SE (headquarters), including its consolidated subsidiaries (incl. Concepts), its shares in associated entities and joint ventures as well as the Emerging Stars, particularly Lendico, Paymill, Helpling, Traveloka, FabFurnish, Travelbird, Zencap, Wimdu, CupoNation, and Zanui which are not separately reportable. Rocket Internet SE renders a range of IT, marketing and other services, in particular commercial and technical consulting services to its network companies and holds cash and cash equivalents for new investments and funding purposes. In 2014 Rocket Internet SE generated service revenue from not consolidated companies of EUR 22,968 thousand (previous year EUR 18,026 thousand) which is included in the revenue of the segment "Other". The remaining revenue of EUR 154,896 thousand (previous year EUR 108,282 thousand) in this segment relates to consolidated subsidiaries (incl. Concepts) and non-consolidated network companies of our Emerging Stars. Cash and cash equivalents held by Rocket Internet SE as of December 31, 2014 amount to EUR 1,997,682 thousand (December 31, 2013 EUR 385,441 thousand).

Despite not having control in some of its network companies (predominantly Proven Winners and Emerging Stars) throughout 2014 and 2013 the chief operating decision maker of the group reviewed the operating results of the respective operating segments on a 100% basis (i.e. 100% of the revenues, expenses and segment results and cash and cash equivalents) to make decisions about resource allocation and to assess the performance. Accordingly, in order to arrive at total consolidated revenues and expenses for 2014 and 2013 the "reconciliation" column reflects besides consolidation adjustments for inter-segment business relations also adjustments between aggregated segment revenue and expenses and consolidated revenue and expenses.

Segment information for the reportable segments for the year ended December 31, 2014 is set out below (in thousands of EUR):

	Proven Winners								
		E-Commerce Fashion							
	E-Commerce Home & Living	E-Commerce Fashion 1	E-Commerce Fashion 2	E-Commerce General Merchandise	E-Commerce Food	Market-place	Other	Reconciliation[3)]	Total
2014									
Revenue	343,457	527,414	100,088	243,095	69,624	6,669	177,864[4)]	−1,340,028	128,182
EBITDA	−114,900	−193,865	−56,477	−227,798	−15,148	−38,500	358,195[5)]	712,925	424,432
Cash and cash equivalents	50,435	115,870	37,566	242,380	19,760	44,543	2,096,403	−553,509	2,053,448

3) The reconciliation column includes the elimination of EUR 1,340,028 thousand revenues and EUR 2,052,953 thousand operating expenses not reflected in consolidated revenue and expenses in 2014.
4) Revenue includes service revenues of Rocket Internet SE from not consolidated companies (EUR 22,968 thousand) as well as revenues from consolidated and non-consolidated network companies of Emerging Stars and Concepts (EUR 154,896 thousand).
5) The EBITDA includes the positive EBITDA of Rocket Internet SE and its consolidated entities, predominantly from deconsolidation of subsidiaries and offset by the negative EBITDA from Emerging Stars.

Segment information for the reportable segments for the year ended December 31, 2013 is set out below (in thousands of EUR):

	Proven Winners								
		E-Commerce Fashion							
	E-Commerce Home & Living	E-Commerce Fashion 1	E-Commerce Fashion 2	E-Commerce General Merchandise	E-Commerce Food	Market-place	Other	Reconciliation[6)]	Total
2013									
Revenue	203,178	342,177	43,965	132,894	14,158	710	126,308[7)]	−763,578	99,812
EBITDA	−84,300	−192,669	−31,427	−117,380	−6,518	−13,300	1,294,137[8)]	469,300	1,317,842
Cash and cash equivalents[*)]	63,702	209,880	100,167	214,920	3,840	8,657	427,107	−614,412	413,862

*) Except for cash and bank balances included in the assets held for sale of EUR 33,356 thousand
6) The reconciliation column includes the elimination of EUR 763,578 thousand revenues and EUR 1,232,878 thousand operating expenses not reflected in consolidated revenue and expenses in 2013.
7) Revenue includes service revenues of Rocket Internet SE from not consolidated companies (EUR 18,026 thousand) as well as revenues from consolidated and non-consolidated network companies of Emerging stars and Concepts (EUR 108,282 thousand).
8) The EBITDA includes the positive EBITDA of Rocket Internet SE and its consolidated entities, predominantly from deconsolidation of subsidiaries and offset by the negative EBITDA from Emerging stars.

Revenues for each region for which the revenues are material are reported separately as follows:

Revenue by region	2014	2013
	In thousands of EUR	
Germany	23,431	23,929
Latin America	63,951	43,508
Africa	23,279	28,984
Other	17,521	3,391
Total	**128,182**	**99,812**

Revenues are attributed to countries on the basis of the customer's location

Non-current assets for each region for which it is material are reported separately as follows:

Non-current assets by region	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Germany	8,088	6,200	5,420
Latin America	2,266	2,585	699
Other	1,801	187	229
Total	**12,155**	**8,972**	**6,348**

The non-current assets reported in the table above only contain intangible assets and property, plant and equipment pursuant to IFRS 8.33(b).

The Rocket Internet Group is not significantly exposed to a single customer.

8 Capital Management

The Company regards its total equity as capital. The primary objective of the Company's capital management is to support its operations and cover the cash burn and maximize shareholder value while minimizing financial risk. Historically, the Company has financed its operations primarily through the issuance of equity instruments to third parties. To assist management in undertaking strategic activities, capital increases and to service the stock option plans, the shareholders of the Company have authorized the future issuance of ordinary shares in specific circumstances with the permission of the Supervisory Board. The Company has declared and paid dividends on its ordinary shares in the financial years 2013 and 2014. However, the Company does not expect to pay dividends in the foreseeable future.

The capital resources for the Group are also derived from cash payments from non-controlling interests as well as from operating activities and sales of equity investments.

Except for the decision to not declare dividends in the foreseeable future, no changes were made in the objective, policies or processes for managing capital during the years ending December 31, 2014 and 2013.

9 Principal Subsidiaries

As a result of Rocket Internet being an operational Internet platform, the basis of consolidation is subject to changes in each financial period. Usually, Rocket has control and applies full consolidation when an enterprise is founded. In subsequent financing rounds, the enterprises attract the equity necessary to further extend operations from Rocket as well as from other external investors. This means that Rocket's direct and indirect share in the entities decreases over time in line with their size and maturity. Please, refer to Note 1 for further details on corporate structure, consumer brands, Group operations and to Note 7 regarding the segment information.

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

Name of subsidiary	Place of business and incorporation	Nature of Business	Ownership 31/12/14	Ownership 31/12/13	Ownership 01/01/13
Africa eCommerce Holding GmbH (Jumia subgroup)[1]	Berlin	eCommerce	n/a	41.2%	41.2%
Asia Internet Holding S.à r.l.	Luxemburg	Other services	n/a	100%	100%
Bonnyprints GmbH	Berlin	eCommerce	77.1%	63.5%	63.5%
Digital Services XXX UK Holding S.C.Sp.	Luxemburg	Other services	100%	n/a	n/a
EatFirst UK Ltd.	Cardiff	eCommerce	100%	n/a	n/a
ECommerce Holding II S.à r.l.	Luxemburg	Other services	n/a	100%	n/a
ECommerce Pay Holding S.à r.l.	Luxemburg	Other services	100%	n/a	n/a
European Founders Fund GmbH & Co. Beteiligungs KG Nr. 2	Munich	Interim Holding	100%	n/a	n/a
European Founders Fund GmbH & Co. Beteiligungs KG Nr. 3	Munich	Interim Holding	100%	n/a	n/a
Global Founders Capital GmbH & Co. Beteiligungs KG Nr. 1	Munich	Interim Holding	100%	n/a	n/a
Global Fin Tech Holding S.à r.l.	Luxemburg	Other services	100%	n/a	n/a
International Rocket GmbH & Co. KG	Berlin	Other services	100%	100%	100%
Kanui Comercio Varejista Ltda.[2]	São Paulo	eCommerce	49.8%	58.1%	59.2%
Middle East Internet Holding S.à r.l.	Luxemburg	Other services	n/a	100%	n/a
MKC Brillant Services GmbH	Berlin	Other services	65.0%	80.0%	80.0%
Tricae Comercio Varejista Ltda.[2]	São Paulo	eCommerce	48.6%	59.7%	57.3%

1) Subsidiary of the Africa Internet Holding GmbH with operations in Africa
2) Subsidiary of MKC Brillant Services GmbH

The proportions of the voting rights in the subsidiaries are the same as the ownership interests presented in the table. Ownership percentages are calculated on the group parent level considering all non-controlling interests in the lower levels of the multilevel group hierarchy. In the table above n/a indicates that the respective company was not a subsidiary as of the respective balance sheet date.

The total non-controlling interests as of December 31, 2014 amount to EUR 34,184 thousand (December 31, 2013: EUR 12,750 thousand).

The directors of the Company have determined that the Group does not control the following companies even though Rocket holds more than 50% of the voting rights. The companies listed below were not controlled because Rocket has not the ability to direct the relevant activities due to specific regulations in the shareholder agreements:

2014	Share
Beauty Trend Holding GmbH	59.8%
Ecommerce Holding II S.à r.l.	55.5%
Emerging Markets Taxi Holding S.à r.l.	57.9%
Jade 1158. GmbH	68.2%
Jade 1223. GmbH	73.9%
Payleven Holding GmbH	55.8%
Paymill Holding GmbH	50.1%
PTH Brillant Services GmbH	79.6%
Wimdu GmbH	52.5%

2013	Share as a %
Beauty Trend Holding GmbH	59.8%
Classmarkets GmbH	52.8%
Cuponation Group GmbH	50.6%
Emerging Markets Asia eCommerce Holding GmbH	89.0%
Emerging Markets Online Food Delivery Holding S.à r.l.	60.7%
Jade 1158. GmbH	68.2%
Jade 1223. GmbH	73.9%
Payleven Holding GmbH	57.7%
Paymill Holding GmbH	63.8%
PTH Brillant Services GmbH	80.0%
TIN Brillant Services GmbH	53.5%
Wimdu GmbH	52.5%

Summarized financial information on subsidiaries with material non-controlling interests

Set out below are the summarized financial information for the subsidiaries with non-controlling interests that, in the opinion of the management, are material to the Company. The amounts shown are before inter-company eliminations and the elimination of investments in the subordinated subsidiaries.

Summarized balance sheet

Dec 31, 2014	Assets		Liabilities		Total	
	Non-current	Current	Non-current	Current	Net Assets	Attributable to NCI
			In thousands of EUR			
Bonnyprints GmbH	52	112	0	711	−546	−125
Kanui Comercio Varejista Ltda	1,058	12,968	0	15,617	−1,591	−799
MKC Brillant Services GmbH	74,354	62,868	344	237	136,641	47,824
Tricae Comercio Varejista Ltda	767	6,484	48	10,725	−3,522	−1,809

Dec 31, 2013	Assets		Liabilities		Total	
	Non-current	Current	Non-current	Current	Net Assets	Attributable to NCI
			In thousands of EUR			
Africa eCommerce Holding	0	23,186	0	13,477	9,709	4,833
Bonnyprints GmbH	45	346	4	482	−95	−35
Kanui Comercio Varejista Ltda	688	7,138	0	11,927	−4,102	−1,718
MKC Brillant Services GmbH	1,997	49,953	0	69	51,882	10,376
Tricae Comercio Varejista Ltda	497	4,079	0	6,648	−2,072	−834

Jan 1, 2013	Assets		Liabilities		Total	
	Non-current	Current	Non-current	Current	Net Assets	Attributable to NCI
			In thousands of EUR			
Africa eCommerce Holding	740	34,281	0	8,683	26,339	15,405
Bonnyprints GmbH	51	421	4	468	0	0
Kanui Comercio Varejista Ltda	234	4,242	0	6,534	−2,058	−836
MKC Brillant Services GmbH	1,995	49,947	0	139	51,803	10,361
Tricae Comercio Varejista Ltda	176	2,022	0	4,136	−1,939	−829

Summarized income statement

	2014				
	Revenue	Profit (Loss)	Other comprehensive income	Total comprehensive income	Allocated NCI
	In thousands of EUR				
Africa eCommerce Holding[1)]	20,520	−26,094	−321	−26,415	16,883
Bonnyprints GmbH	5,819	−546	0	−546	125
Kanui Comercio Varejista Ltda	34,970	−3,532	−137	−3,669	1,617
MKC Brillant Services GmbH	207	35,204	−444	34,759	−12,166
Tricae Comercio Varejista Ltda	22,808	−7,860	−74	−7,934	3,970

1) Until deconsolidation on July 16, 2014

	2013				
	Revenue	Profit (Loss)	Other comprehensive income	Total comprehensive income	Allocated NCI
	In thousands of EUR				
Africa eCommerce Holding	28,369	−35,067	320	−34,747	21,324
Bonnyprints GmbH	5,141	−95	0	−95	53
Kanui Comercio Varejista Ltda	25,745	−11,816	562	−11,254	4,716
MKC Brillant Services GmbH	61	79	0	79	−16
Tricae Comercio Varejista Ltda	11,992	−8,331	378	−7,954	3,202

There were no dividends paid to non-controlling interests during the periods presented.

Summarized cash flows

	2014			2013		
	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities	Net cash from operating activities	Net cash from investing activities	Net cash from financing activities
	In thousands of EUR					
Africa eCommerce Holding[1)]	−19,460	−996	16,368	−28,231	−1,249	13,635
Bonnyprints GmbH	−232	−22	94	25	9	0
Kanui Comercio Varejista Ltda	−5,672	−547	6,180	−8,347	−643	8,783
MKC Brillant Services GmbH	−481	−40,476	50,046	448	−37,665	−2
Tricae Comercio Varejista Ltda	−5,868	−467	5,951	−6,258	−306	7,299

1) Until deconsolidation on July 16, 2014

Summarized effect of loss of control of subsidiaries through sale during the period

The Company lost control in certain subsidiaries through sale in 2014.

On April 4, 2014, Rocket's fully consolidated subsidiary Asia Internet Holding S.à r.l. (as seller) and the associated company Car Classifieds Asia S.à r.l. (as buyer) signed an agreement regarding the sale of the 100% participation in Carmudi GmbH, Berlin (former Brillant 1253. GmbH).

On August 12, 2014, the Rocket Internet SE (as seller) and the Bigfoot GmbH (as buyer) agreed on the sale of 100% of the shares in Digital Services Holding X S.à r.l.

According to the agreement dated November 17, 2014, MKC Brillant Services GmbH (seller) contributed its shares in LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG to the associated company Emerging Markets Online Food Delivery Holding S.à r.l. in exchange for shares in this entity. The LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG (including its 13 subsidiaries) comprised the Latin American delivery services operating under the consumer brands foodpanda and hellofood. The acquisition costs of the shares in Emerging Markets Online Food Delivery Holding S.à r.l., that were received by the seller in return, were measured at fair value of the businesses contributed.

The amount of consideration received as well as cash and cash equivalents, other assets, and liabilities in the subsidiaries over which control was lost through sale is as follows:

	2014
	In thousands of EUR
Consideration received in cash and cash equivalents	47
Non-cash consideration	18,248
Carrying amount of any non-controlling interest in the former subsidiaries	9,489
Total	**27,785**

Analysis of assets and liabilities from subsidiaries over which control was lost through sale during the financial year 2014:

	Jan 1- Dec 31, 2014
	In thousands of EUR
Current assets	**8,002**
Cash and cash equivalents	4,310
Trade receivables	1,020
Inventories	454
Other	2,218
Non-current assets	**2,096**
Intangible assets	542
Property, plant and equipment	335
Other	1,220
Current liabilities	**25,719**
Non-current liabilities	**0**
Net assets disposed	**− 15,621**

Deconsolidation of subsidiaries due to deemed disposals during the period

In 2014 the following former subsidiaries issued shares to third parties, which reduced Rocket's ownership interest in the subsidiaries so that the Group no longer has a controlling financial interest in these subsidiaries.

Name of the former subsidiary	Month of deconsolidation	Transition to
Africa Internet Holding GmbH	July 2014	Joint venture
Asia Internet Holding S.à r.l.	August 2014	Joint venture
Azmalo S.à r.l.	March 2014	Associate of Asia Internet Holding S.à r.l.
Emerging Markets Taxi Holding S.à r.l.	August 2014	Associate
Car Classifieds Asia S.à r.l.	January 2014	Associate of Asia Internet Holding S.à r.l.
Classifieds Asia S.à r.l.	January 2014	Associate of Asia Internet Holding S.à r.l.
ECommerce Holding II S.à r.l. (Lendico)	March 2014	Associate
Helpling Group Holding S.à r.l.	October 2014	Associate
Middle East Internet Holding S.à r.l.	Mai 2014	Joint venture
Pricepanda Group GmbH	January 2014	Associate of Asia Internet Holding S.à r.l.

There were no deemed disposals during the year 2013.

The gains and losses on deemed disposals, regular disposals and liquidation of subsidiaries resulting in a loss of control and accordingly a deconsolidation of subsidiaries are reported as a separate line item in the income statement. The portion of the gains due to measuring any investment retained in the former subsidiaries at its fair value at the date when control is lost is disclosed in the Note 15.

Effects of changes in ownership without loss of control

The following table shows the effects on the equity attributable to owners of the parent from changes in Group ownership interest in the material subsidiaries that did not result in a loss of control:

	Impact on equity attributable to owners of the parent	
	2014	2013
	In thousands of EUR	
Kanui Comercio Varejista Ltda	1,921	−95
MKC Brillant Services GmbH	24,718	0
Tricae Comercio Varejista Ltda	1,805	48

In January 2014, the Company purchased non-controlling interests in Bonnyprints GmbH for an amount of EUR 225 thousand, therefore reversing the corresponding previous allocation of losses to non-controlling interests of EUR 17 thousand and drawing EUR 242 thousand from other revenue reserves.

Furthermore, the investment rounds at all subsidiaries (including Kanui Comercio Varejista Ltda and Tricae Comercio Varejista Ltda) as a result of which the Company's ownership has decreased resulted in the following movements in equity:

Capital reserves	attributable to		
(Proceeds from non-controlling interests)	shareholders of the parent	non-controlling interests	Total
	in EUR thousand		
2014	65,901	35,670	**101,571**
2013	13,312	10,618	**23,929**

10 Business Combinations and Acquisition of Non-Controlling Interests

Business combinations during the financial years 2013 and 2014

During the financial years 2013 and 2014 there were no major transactions or other events that meet the definition of a business combination.

Business combinations after the end of the reporting period but before the financial statements are authorized for issue

During the 1st half of 2015 Rocket performed a series of strategic transactions to further strengthen its market leading position in the global online takeaway market. Under the umbrella of the wholly owned subsidiary Global Online Takeaway Group S.A. Rocket combined all its investments in the sector including foodpanda, Delivery Hero, Talabat (immediately contributed to Delivery Hero), La Nevera Roja and Pizzabo.it. By this combination Rocket has been able to build a truly global operation, being present in more than 70 countries. See Note 46 "Events after the Reporting Period" for further information.

Acquisition of Webs S.r.l. (Pizzabo.it)

On January 30, 2015, the Group acquired 100% of the voting shares of Webs S.r.l. (Pizzabo.it) for a cash consideration of EUR 51,272 thousand. Pizzabo.it is an unlisted company based in Bologna and a developer of an online delivery platform for takeaway pizzas and other food. The Group acquired Pizzabo.it as a part of the creation of the Global Online Takeaway Group.

The provisionally determined fair values of the identifiable assets and liabilities of Pizzabo.it as of the date of acquisition were:

	Fair value recognized on acquisition
	In thousands of EUR
Assets	**28,347**
Property, plant and equipment	80
Intangible assets	27,717
Other non-current assets	35
Cash and cash equivalents	361
Trade receivables	139
Other non-current assets	15

	Fair value recognized on acquisition
	In thousands of EUR
Liabilities	**7,861**
Provisions	15
Deferred tax liabilities	7,622
Income tax liabilities	44
Trade payables	26
Other financial liabilities	68
Other non-financial liabilities	86
Total identifiable net assets at fair value	**20,486**
Goodwill arising on acquisition	30,786
Purchase consideration transferred	**51,272**

The fair value of the trade receivables amounts to EUR 139 thousand. The gross amount of trade receivables is EUR 140 thousand. However, none of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

The deferred tax liability comprises the tax effect of the amortization of intangible assets (trade mark, customer relationships and technology) recognized on acquisition.

The goodwill of EUR 30,786 thousand arose because the cost of the combination included a control premium. In addition the consideration paid comprises the value of expected synergies arising from the acquisition, revenue growth, future market development and the assembled workforce of Pizzabo.de, which could not be separately recognized. None of the goodwill recognized is expected to be deductible for income tax purposes.

	Purchase consideration
	In thousands of EUR
Cash payments on acquisition	44,000
Contingent cash consideration liability (earn out payment)	7,272
Total consideration	51,272

Consideration includes all payments made to shareholders or on behalf of them that were relevant to gaining control of the company and were not related to acquisition costs.

Contingent cash consideration (earn out payment)

As part of the accounting for the acquisition of Pizzabo.it, a contingent cash consideration liability with an estimated fair value of EUR 7,272 thousand was recognized at the acquisition date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting performance targets and a discount rate. Future developments may require further revisions to the estimate. The maximum consideration to be paid is EUR 15,000 thousand, the minimum consideration amounts to EUR 8,250 thousand. The contingent consideration is classified as other financial liability. Under the contingent consideration arrangement, the Group is required to pay the vendors on the first and second anniversary after the closing date an amount equal to 10% of the market valuation of Pizzabo.it, as calculated applying the formula (combination of revenue multiple and EBITDA multiple) specified in the sale and purchase agreement.

Acquisition-related costs amounting to EUR 137 thousand have been excluded from the consideration transferred and have been recognized as an expense in profit or loss in January 2015 within the ‘other operating expenses’ line item.

Acquisition of Grupo Yamm Comida a Domicilio S.L. (La Nevera Roja)

On January 26, 2015, the Group acquired 100% of the voting shares of Grupo Yamm Comida a Domicilio S.L. (La Nevera Roja). La Nevera Roja is an unlisted company based in Madrid and a developer of an online delivery platform for takeaway food as well as a delivery service provider to restaurants that do not own their own delivery service. The Group acquired La Nevera Roja as a part of its strategy to create the Global Online Takeaway Group for a cash consideration of EUR 80,440 thousand.

The provisional fair values of the identifiable assets and liabilities of La Nevera Roja as at the date of acquisition were:

	Fair value recognized on acquisition
	In thousands of EUR
Assets	**53,002**
Property, plant and equipment	80
Intangible assets	45,343
Cash and cash equivalents	5,546
Trade receivables	68
Other current assets	1,729
Other non-current assets	236
Liabilities	**20,819**
Loans/other financial liabilities	5,451
Trade payables	3,551
Deferred tax liability	10,940
Other non-financial liabilities	877
Total identifiable net assets at fair value	**32,183**
Goodwill arising on acquisition	48,257
Purchase consideration transferred	**80,440**

The fair value of the trade receivables amounts to EUR 68 thousand. The gross amount of trade receivables is equally EUR 68 thousand. None of the trade receivables have been impaired and it is expected that the full contractual amounts can be collected.

Cash and cash equivalents as well as other financial liabilities have been netted to reflect cash collected on behalf of restaurants.

The deferred tax liability comprises the tax effect of the amortization of intangible assets (trade mark, customer relationships and technology) recognized on acquisition.

The goodwill of EUR 48,257 thousand arose because the cost of the combination included a control premium. In addition the consideration paid comprises the value of expected synergies arising from the acquisition, revenue growth, future market development and the assembled workforce of La Nevera Roja, which is not separately recognized. None of the goodwill recognized is expected to be deductible for income tax purposes.

	Purchase consideration
	In thousands of EUR
Cash payments on acquisition	80,440
Total consideration	80,440

Acquisition-related costs amounting to EUR 181 thousand have been excluded from the consideration transferred and have been recognized as an expense in profit or loss in January 2015 within the 'other operating expenses' line item.

11 Investments in Associates and Joint Ventures

Investment accounted using the equity method

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Investment in associates	1,067,442	669,540	378,238
Interest in joint ventures	383,320	11,849	12,221
Total investments in associates and joint ventures	**1,450,762**	**681,389**	**390,459**

Investment in associates

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

Trade Name	Name of associate	Registered Office	Principal Activity	Capital/votes		
				31/12/2014	31/12/2013	01/01/2013
AEH New Africa II (holding for parts of Jumia)	AEH New Africa eCommerce II GmbH	Berlin	eCommerce/ Market place	34.6%	n/a	n/a
Bigfoot I (holding for Dafiti Jabong, Lamoda, Namshi)	Bigfoot GmbH	Berlin	eCommerce/ Market place	n/a	33.3%	40.5%
Bigfoot II (holding for Zalora/ The Iconic)	BGN Brillant Services GmbH	Berlin	eCommerce/ Market place	n/a	41.4%	52.9%
Big Commerce (holding for Linio, Lazada and formerly Namshi)	TIN Brillant Services GmbH	Berlin	eCommerce/ Market place	51.6%	53.5%	73.1%
Foodpanda	Emerging Markets Online Food Delivery Holding S.à r.l.	Luxemburg	Marketplace	57.9%	60.7%	n/a
Global Fashion	Global Fashion Holding S.A,	Luxemburg	eCommerce	25.2%	n/a	n/a
HelloFresh	HelloFresh GmbH	Berlin	eCommerce	44.2%	36.0%	43.2%
Home 24	Home24 AG	Berlin	eCommerce	49.6%	46.8%	50.9%
Westwing	Westwing Group GmbH	Berlin	eCommerce	36.3%	33.4%	43.7%
Zalando	Zalando SE	Berlin	eCommerce	n/a	n/a	38.2%

Reorganization in conjunction with the establishment of Global Fashion Group

Prior to reorganization, the following five fashion eCommerce businesses operated via three intermediate holding companies (associated companies of Rocket):

Associated company of Rocket	Trade name of the associate	Fashion business operated by the associate prior to reorganization
Bigfoot GmbH	Bigfoot I	Dafiti, Jabong and Lamoda business as well as share of Namshi business
BGN Brillant Services GmbH	Bigfoot II	Zalora business (including The Iconic brand)
TIN Brillant Services GmbH	Big Commerce	Share of Namshi business

In December 2014, Rocket together with co-investors established the Global Fashion Holding S.A. (trade name: "Global Fashion Group"), in which Rocket's five fashion eCommerce businesses were combined. All direct shareholders in the five existing eCommerce companies

- Dafiti Latam GmbH & Co. Beteiligungs KG ("Dafiti"),
- Lamoda GmbH ("Lamoda"),
- Zalora Group GmbH ("Zalora"),
- Middle East eCommerce Holding GmbH ("Namshi") and
- Jabong GmbH ("Jabong")

as well as the shareholders of Bigfoot GmbH, BGN Brillant Services GmbH and TIN Brillant Services GmbH mutually agreed to contribute their shares in the aforementioned entities into the Global Fashion Group.

The insertion of Global Fashion Group as parent of Bigfoot I does not result in a business combination and has no impact on the consolidated statement of comprehensive income of Rocket.

Furthermore in addition to the formation of the Global Fashion Group certain non-global fashion e-commerce businesses were transferred to newly established holding entities:

Trade name of the non - global fashion business	Former holding entity	New holding entity after reorganization
FabFurnish	Bigfoot I	FabFurnish GmbH
Zanui.com	Bigfoot II	New BGN Other Assets II GmbH
Share of Jumia business	Big Commerce	AEH New Africa eCommerce II GmbH

After reorganization Global Fashion Group consists of the brands Dafiti (Latin America), Jabong (India), Lamoda (Russia), Namshi (Middle East) and Zalora/The Iconic (South East Asia and Australia).

Summarized financial information

Summarized financial information in respect of the Group's material associates is set out below. The summarized financial information below represents amounts shown in the associate's financial statements and adjusted by the Group for equity accounting purposes. All of the material associated companies prepare consolidated financial information in accordance with IFRS. Summarized financial information is presented for both, the Groups direct investments in associates being operating network companies (e.g. Home24, HelloFresh, Westwing, Foodpanda) as well as for associates being intermediate holding companies (e.g. AEH New Africa II, Bigfoot I, Bigfoot II, Big Commerce, Global Fashion). During the financial years 2013 and 2014 the intermediate holding companies did not all the time fully consolidate all of their operating network companies. Furthermore the effects of legal reorganizations on intermediate holding company level reflected in their statutory financial statements do not allow a direct reconciliation between segment information as presented in note 7 and the summarized financial information provided below.

Summarized balance sheets (in thousands):

December 31, 2014

Company	AEH New Africa II	Big Commerce	Foodpanda	Global Fashion
Currency	**EUR**	**EUR**	**EUR**	**EUR**
Current assets	109	35,152	51,955	463,596
Non-current assets	102,455	525,362	74,894	1,856,006
Current liabilities	41	25,993	13,799	211,933
Non-current liabilities	0	0	10,193	155,181
Net assets	**102,523**	**534,520**	**102,856**	**1,952,487**

December 31, 2014 (continued)

Company	HelloFresh	Home24	Westwing
Currency	**EUR**	**EUR**	**EUR**
Current assets	27,283	66,709	44,891
Non-current assets	36,565	49,682	27,299
Current liabilities	13,152	71,109	51,909
Non-current liabilities	7,499	10,547	18,151
Net assets	**43,197**	**34,735**	**2,131**

December 31, 2013

Company	Bigfoot I	Bigfoot II	Big Commerce	Food-panda	HelloFresh	Home 24	Westwing
Currency	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Current assets	251,570	47,276	28,595	11,518	5,052	46,952	48,932
Non-current assets	625,209	336,578	341,804	581	169	8,976	6,111
Current liabilities	47,466	1,078	253	2,510	2,472	22,234	31,649
Non-current liabilities	16,506	2,687	3,073	173	58	0	11,664
Net assets	**812,806**	**380,089**	**367,073**	**9,416**	**2,691**	**33,694**	**11,730**

January 1, 2013

Company	Bigfoot I	Bigfoot II	Big Commerce	Hello Fresh	Home 24	Westwing	Zalando
Currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Current assets	193,038	46,879	74,763	1,771	35,744	18,675	751,058
Non-current assets	23,696	84,139	18,037	275	4,450	3,426	86,803
Current liabilities	75,207	30,974	20,113	1,744	17,165	31,781	360,581
Non-current liabilities	2,019	0	0	16	0	2,291	19,084
Net assets	**139,508**	**100,044**	**72,687**	**286**	**23,029**	**− 11,971**	**458,196**

Summarized income statements (in thousands):

Year ended December 31, 2014

Company	AEH New Africa II	Big Commerce	Foodpanda	Global Fashion
Currency	EUR	EUR	EUR	EUR
Revenue	0	195	6,669	212,422
Profit or loss	− 1,934	25,558	− 39,737	185,693
Other comprehensive income	0	0	− 7,828	− 13,533
Total comprehensive income	− 1,934	25,558	− 47,565	172,160
Dividends received from the associate during the year	0	19,238[1)]	0	10,148[2)]

1) The amount of EUR 19,283 thousand results from the non-cash distribution of the Namshi business in course of the reorganization in conjunction with the establishment of Global Fashion Group
2) The amount of EUR 10,148 thousand results from non-cash distributions of three non-global fashion e-commerce businesses in course of the reorganization in conjunction with the establishment of Global Fashion Group

Year ended December 31, 2014 (continued)

Company	HelloFresh	Home24	Westwing
Currency	EUR	EUR	EUR
Revenue	69,624	160,126	183,332
Profit or loss	− 15,244	− 62,374	− 72,603
Other comprehensive income	− 684	358	6,412
Total comprehensive income	− 15,927	− 62,017	− 66,191

Year ended December 31, 2013

Company	Bigfoot I	Bigfoot II	Big Commerce	Food-panda	HelloFresh	Home24	Westwing
Currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Revenue	260,085	3,847	480	710	14,158	92,812	110,366
Profit or loss	345,496	166,656	69	− 13,418	− 6,878	− 41,782	− 50,319
Other comprehensive income	13,300	2,091	0	− 74	123	784	1,123
Total comprehensive income	358,796	168,746	69	− 13,493	− 6,755	− 40,998	− 49,196

Reconciliation of the above summarized financial information to the carrying amount of the interest in associates recognized in the consolidated financial statements is set out below. Other adjustments reflect non-controlling interests of the associates.

December 31, 2014

Company	AEH New Africa II	Big Commerce	Foodpanda	Global Fashion
Currency	EUR	EUR	EUR	EUR
Net assets of the associate	102,523	534,520	102,856	1,952,487
Proportion of the Group's ownership interest in the associate	34.6%	51.6%	57.9%	25.2%
Goodwill	0	0	16,447	23,685
Other adjustments	0	0	2,335	− 22,893
Carrying amount of the Group's interest in the associate	**35,448**	**275,800**	**78,346**	**492,723**

December 31, 2014 (continued)

Company	HelloFresh	Home24	Westwing
Currency	EUR	EUR	EUR
Net assets of the associate	43,197	34,735	2,131
Proportion of the Group's ownership interest in the associate	44.2%	49.6%	36.3%
Goodwill	25,551	10,576	11,220
Other adjustments	790	3,734	10,027
Carrying amount of the Group's interest in the associate	**45,425**	**31,542**	**22,020**

December 31, 2013

Company	Bigfoot I	Bigfoot II	Big Commerce	Food-panda	HelloFresh	Home24	Westwing
Currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Net assets of the associate	812,806	380,089	367,073	9,416	2,691	33,694	11,730
Proportion of the Group's ownership interest in the associate	33.3%	41.4%	53.5%	60.7%	36.0%	46.8%	33.4%
Other adjustments	4,618	1,300	0	446	208	1,337	6,236
Carrying amount of the Group's interest in the associate	**275,034**	**158,733**	**196,394**	**6,160**	**1,177**	**17,107**	**10,154**

January 1, 2013

Company	Bigfoot I	Bigfoot II	Big Commerce	HelloFresh	Home24	Westwing	Zalando
Currency	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Net assets of the associate	139,508	100,044	72,687	286	23,029	−11,971	458,196
Proportion of the Group's ownership interest in the associate	40.5%	52.9%	73.1%	43.2%	50.9%	43.7%	38.2%
Other adjustments	5,732	3,315	1,574	147	1,133	5,850	0
Carrying amount of the Group's interest in the associate	**62,230**	**56,201**	**54,696**	**272**	**12,850**	**619**	**175,095**

Aggregate financial information for individually immaterial associates

In addition to the interests in associates disclosed above, Rocket also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	Year ended Dec 31, 2014	Year ended Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Aggregate carrying amount of individually immaterial associates	86,136	4,781	16,274
Aggregate amounts of group's share of :			
profit/loss from continued operations	−16,013	−651	n/a
total comprehensive income	−16,013	−651	n/a

Unrecognized share of losses of associates

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Cumulative share of loss of an associate	−22,693	−22,668	n/a
The unrecognized share of loss of an associate for the year (year ended Dec 31)	−25	−22,668	n/a

Change in the Group's ownership interest in an associate

As of January 1, 2013, the Group held a 38.2% interest in Zalando SE and accounted for the investment as an associate. In July 2013, the Group disposed of a 34.9% interest in Zalando to its shareholders, thereof 31.1% in course of the Zalando spin-off (see Note 43 for further details) and additional 6.2% for cash proceeds of EUR 125,403 thousand.

Those transactions have resulted in the recognition of a gain in profit or loss, calculated as follows.

	In thousands of EUR
Cash proceeds of disposals	125,403
Plus: fair value of investment exchanged in the spin-of transaction	1,023,445
Plus: fair value of investment retained	108,477
Less: carrying amount of investment on the date of loss of significant influence	− 134.276
Total	**1,123,049**

The Group has accounted for the remaining 3.9% interest as a financial asset accounted for at fair value through profit and loss (”Fair value option”) of which 3.3% were subsequently sold to the shareholder for cash proceeds of EUR 67,718 thousand. As of December 31, 2013 the group still held 0.9% interest in Zalando SE with a fair value of EUR 35,471 thousand.

Interest in joint ventures

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

Trade Name	Name of associate	Registered Office	Principal Activity	Capital/votes 31/12/14	31/12/13	01/01/2013
Africa Internet Group[1)]	Africa Internet Holding GmbH	Berlin	eCommerce/ Market place	33.3%	n/a[2)]	n/a[2)]
Asia Pacific Internet Group[1]	Asia Internet Holding S.à r.l.	Luxemburg	eCommerce/ Market place	50.0%	n/a[2)]	n/a[2)]
Middle East Internet Group[1)]	Middle East Internet Holding S.à r.l.	Luxemburg	eCommerce/ Market place	50.0%	n/a[2)]	n/a[2)]
Wimdu	Wimdu GmbH	Berlin	Market place	52.5%	52.5%	52.5%

1) Strategic partnership for the Company, providing access to new customers and markets in the respective regions Africa, Asia-Pacific and Middle East

2) Joint control was established in 2014

Summarized financial information in respect of the Group’s material joint ventures is set out below. The summarized financial information below represents amounts shown in the joint venture’s consolidated financial statements prepared in accordance with IFRSs and adjusted by the Group for equity accounting purposes.

Summarized balance sheets (in thousands):

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu	Wimdu
Reporting date	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/13**	**01/01/13**
Currency	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Current assets	153,605	89,429	37,294	24,621	31,137	25,745
Non-current assets	123,968	207,488	20,131	256	225	268
Current liabilities	31,237	4,825	1,548	14,705	9,896	7,440
Non-current liabilities	116	1,919	0	0	0	0
Net assets	**246,220**	**290,173**	**55,878**	**10,172**	**21,466**	**18,572**

The above amounts of assets and liabilities include the following:

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu	Wimdu
Reporting date	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/13**	**01/01/13**
Currency	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Cash and cash equivalents	33,440	44,065	36,155	19,903	5,696	10,835
Current financial liabilities (excluding trade and other payables and provisions)	610	1,985	171	9,785	6,417	5,479
Non-current financial liabilities (excluding trade and other payables and provisions)	0	1,918	0	0	0	0

Summarized income statements (in thousands):

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu
Year ended	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/13**
Currency	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Revenue	63,694	1,743	110	13,528	9,445
Profit or loss from continuing operations	−80,762	1,249	−6,163	−11,190	−7,004
Post-tax profit or loss from discontinued operations	0	−1,262	0	0	0
Other comprehensive income	−1,088	−291	0	0	−11
Total comprehensive income	−81,850	−304	−6,163	−11,190	−7,015
Dividends received from the joint venture during the year	0	0	0	0	0

The above profit or loss for the year includes the following (in thousands):

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu
Year ended	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/13**
Currency	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Depreciation and amortization	−1,727	−366	−21	−137	−196
Interest income	263	70	0	146	217
Interest expense	−352	−52	−1	−6	−5
Income tax expense (income)	−293	61	−26	0	0

Reconciliation of the above summarized financial information to the carrying amount of the interest in the joint venture recognized in the consolidated financial statements (in thousands):

Company	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu	Wimdu
Reporting date	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/13**	**01/01/13**
Currency	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Net assets of the joint venture	246,220	290,173	55,878	10,172	21,466	18,572
Proportion of the Group's ownership interest in the joint venture	33.3%	50.0%	50.0%	52.5%	52.5%	52.5%
Goodwill	84,048	8,402	29,443	0	0	0
Other adjustments	1,125	3	−140	0	0	0
Carrying amount of the Group's interest in the joint venture	**167,246**	**153,491**	**57,242**	**5,342**	**11,252**	**9,742**

Other adjustments reflect non-controlling interests of the joint ventures.

Aggregate financial information for an individually immaterial joint venture

In addition to the interests in joint ventures disclosed above, Rocket also had an interest in an individually immaterial joint venture that was accounted for using the equity method.

	Year ended Dec 31, 2013	Jan 1, 2013
	In thousands of EUR	
Aggregate carrying amount of an individually immaterial joint venture	597	2,480
Aggregate amounts of group's share of :		
profit/loss from continued operations	−1,883	n/a
total comprehensive income	−1,883	n/a

As of December 31, 2014 the Group did not have any immaterial joint ventures.

Notes to the Income Statement

12 Revenue

Revenue for the year is comprised of the following:

	2014 In thousands of EUR	%	2013 In thousands of EUR	%
eCommerce	87,435	68	72,599	73
Marketplaces	3,413	3	1,369	1
Financial Technology	92	0	0	0
Other services	37,243	29	25,844	26
Total	**128,182**	**100**	**99,812**	**100**

Revenue generated from other services primarily result from consulting services provided to associates and joint ventures.

13 Internally Produced and Capitalized Assets

In the reporting period the internally produced and capitalized assets amount to EUR 2,878 thousand (previous year EUR 2,480 thousand) and result from capitalized intangible assets, mainly software platforms.

14 Other Operating Income

Other operating income comprises the following:

	2014	2013
	In thousands of EUR	
Gain on disposal of available-for-sale investments	1,217	43
Prior-period income	774	72
Currency translation gains	511	660
True-up of written-off receivable	154	81
Other	1,544	467
Other operating income	**4,200**	**1,323**

15 Result from Deconsolidation of Subsidiaries

	2014	2013
	In thousands of EUR	
Gains from deconsolidation		
deemed disposals (loss of control when subsidiary issues shares to third parties)	440,503	0
sales of subsidiaries	12,163	0
Losses from deconsolidation	− 65	− 23
Result from deconsolidation of subsidiaries	**452,601**	**− 23**

When Rocket loses control, the entities are no longer consolidated, but they usually become associated companies or joint ventures. The retained interests are measured at fair value at first time recognition. The gain or loss that results from the deconsolidation and first-time recognition as associated company or joint venture is recognized as gain / loss from deconsolidation. The income from deconsolidation in the year 2014 mainly results from the deemed disposals of Africa Internet Holding GmbH (EUR 168,203 thousand), Asia Internet Holding S.à r.l. (EUR 109,795 thousand), Middle East Internet Holding S.à r.l. (EUR 61,181 thousand), Emerging Markets Taxi Holding S.à r.l. (EUR 28,801 thousand), Kaymu (Azmalo S.à r.l., EUR 16,718 thousand), Lendico (Ecommerce Holding II S.à r.l., EUR 16,305 thousand), Helpling Group Holding S.à r.l. (EUR 11,434 thousand) and Pricepanda Group GmbH (EUR 10,729 thousand). Gains from sales of subsidiaries mainly comprise the gain of EUR 12,129 thousand resulting exchange of shares in the fully consolidated LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG (including its subsidiaries) for shares in Emerging Markets Online Food Delivery Holding S.à r.l. The contributed subsidiary comprised the Latin American food delivery services operating under the consumer brands hellofood and foodpanda.

16 Gain from Distribution of Non-Cash Assets to Owners

On May 30, 2014, the then existing shareholders of the Company approved a dividend in kind to certain shareholders. Consequently, the Company transferred by way of a separate share transfer agreement 4,145 and 1,892 shares in its associates Bigfoot I to Emesco and AI European Holdings S.à r.l., respectively, as well as 4,559 and 2,082 shares in its associate Bigfoot II to Emesco and AI European Holdings S.à r.l., respectively, The respective gain from distribution of non-cash assets to owners amounts to EUR 60,594 thousand.

17 Purchased Merchandise, Raw Materials and Consumables Used

Purchased merchandise, raw materials and consumables used comprise the following:

	2014	2013
	In thousands of EUR	
Purchased goods / merchandise	57,364	51,404
Purchased services	12,424	10,721
Other	0	104
Purchased merchandise, raw materials and consumables used	**69,788**	**62,229**

18 Employee Benefit Expenses

Employee benefit expenses comprise the following:

	2014	2013
	In thousands of EUR	
Salaries, bonuses and other short-term employee benefits	57,784	43,004
Social security	8,881	6,810
Equity-settled share-based payments	51,295	8,236
Cash-settled share-based payments	16,690	41,402
Other	7,220	3,674
Employee benefit expenses	**141,870**	**103,126**

Social security costs include contributions to the statutory pension insurance of EUR 4,860 thousand (previous year EUR 3,652 thousand).

Regarding the Equity- and Cash-settled share based payments we refer to Note 40.

19 Other Operating Expenses

Other operating expenses comprise the following:

	2014	2013
	In thousands of EUR	
Marketing expenses	32,070	24,005
External services	8,713	5,530
Legal and consultancy	8,445	5,885
Rent and occupancy costs	5,432	5,036
Office and infrastructure costs	4,472	5,385
Other personnel expenses	4,438	2,721
IT costs	3,922	2,565
Travel expenses	2,561	1,530
Bookkeeping, year-end closing, auditing expenses	2,314	1,775
Derecognition and impairment of receivables	1,702	3,638
Other levies/insurance premiums	1,046	130
Currency translation losses	883	1,814
Other	11,671	8,119
Other operating expenses	**87,669**	**68,132**

Marketing expenses comprise costs for advertising, customer relation and public relation.

Expenses for external services comprise costs for business development services and other services rendered by third parties.

20 Share of Profit/Loss of Associates and Joint Ventures

In the reporting period the share of profit/loss of associates and joint ventures amounts to EUR 75,109 thousand (previous period: EUR 1,448,985 thousand) and mainly result from Global Fashion Group/Bigfoot and BGN Brillant Services GmbH (prior period: Zalando SE, Bigfoot GmbH and TIN Brillant Services GmbH). For further information about the profit resulting from the Zalando transaction in 2013, please, refer to Note 11.

21 Depreciation and Amortization

Please see the analyses of assets in Notes 25 and 26 for an overview of depreciation, amortization and impairment in the periods under review.

22 Financial Result

Financial result for the period comprises the following:

	2014	2013
	In thousands of EUR	
Gain on financial instruments at FVTPL	27,665	92,001
Dividends from associates at FVTPL	295	12
Interest and similar income	568	700
Total finance income	**28,528**	**92,713**
Loss on financial instruments at FVTPL	− 14,734	0
Interest and similar expenses	− 1,763	− 937
Total finance expense	**− 16,497**	**− 937**
Net financial result	**12,031**	**91,776**

23 Income Tax

Income tax expenses recorded in profit or loss comprises the following:

	2014	2013
	In thousands of EUR	
Current tax expense	507	11,959
Deferred tax expense/income	4,496	− 80
Income tax expense for the year	**5,003**	**11,879**

Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

The difference between the actual income taxes and the expected income taxes that would arise using the weighted average tax rate to profits or loss before tax relates to the following reconciling items:

	2014	2013
	In thousands of EUR	
Profit before tax	**433,809**	**1,407,432**
Tax calculated at domestic tax rates applicable to profits in the respective countries	− 131,551	− 424,320
Income not subject to tax	26,043	26,838
Expenses not deductible for tax purposes	− 5,624	− 3,436
Tax losses for which no deferred income tax assets was recognized	− 17,470	− 23,534
Share-based payments not deductible for tax purposes	− 14,965	− 2,471
Results of associates/joint ventures and deconsolidation	140,396	415,218
Other tax effects	− 1,832	− 174
Income tax expense for the year	**− 5,003**	**− 11,879**

The weighted average applicable tax rate was 30.32% (previous year 30.15%) which was derived from the tax rate in each tax jurisdiction weighted by the relevant pre-tax loss.

Deferred Taxes

Differences between IFRS and statutory taxation regulations give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. The tax effect of these temporary differences and unused tax loss carry forwards is detailed below:

	Dec. 31, 2014	Dec. 31, 2013
	In thousands of EUR	
Intangible assets	−2,105	−1,594
Financial assets	−650	−586
Accruals	11,025	8,646
Shares in associated companies and joint ventures	−17,773	−9,641
Deferred tax on tax loss carry forwards	5,771	0
Other	180	−236
Net deferred tax assets (+) / liabilities (−)	**−3,552**	**−3,411**

Deferred income tax assets are recognized for tax loss carry forwards and deductible temporary differences to the extent that the realization of the related tax benefit through future taxable profits is probable or deferred tax liabilities are recognized. Deferred tax asset for tax loss carryforwards of EUR 5,771 thousand has therefore been recognized as of December 31, 2014 (EUR 0 thousand as of December 31, 2013, EUR 0 thousand as of January 1, 2013) and due to deductible temporary differences deferred tax asset of EUR 11,025 thousand has therefore been recognized as of December 31, 2014 (EUR 8,646 thousand as of December 31, 2013, EUR 2,672 thousand as of January 1, 2013).

Tax loss carry-forwards in Germany

In years of tax profits any tax loss carry-forward can be fully used up to an amount of EUR 1 million. Any excess tax profit will be reduced with remaining tax loss carry-forwards by 60%. Thus, 40% of all tax profits exceeding EUR 1 million will be subject to taxation.

As of December 31, 2014 and 2013 and January 1, 2013, the parent company has corporate income tax loss carry forwards originated and generally usable in Germany in the amount of approximately EUR 41,149 thousand, EUR 0 thousand and EUR 0 thousand respectively, as well as current accumulated trade tax losses amounting to approximately EUR 41,180 thousand, EUR 0 thousand and EUR 0 thousand, respectively. As of December 31, 2014 and 2013 and January 1, 2013, the parent company has unrecognized unused corporate income tax loss carry forwards originated and generally usable in Germany in the amount of approximately EUR 22,855 thousand, EUR 0 thousand and EUR 0 thousand respectively, as well as current accumulated trade tax losses amounting to approximately EUR 22,886 thousand, EUR 0 thousand and EUR 0 thousand, respectively.

With regard to Germany, as of December 31, 2014 and 2013 and January 1 2013, the consolidated subsidiaries have current accumulated corporate income tax loss carry forwards originated and generally usable in Germany in the amount of approximately EUR 34,546 thousand, (as of December 31, 2013 EUR 27,964 thousand, as of January 1, 2013 EUR 5,543 thousand) respectively, as well as current accumulated trade tax losses amounting to approximately EUR 36,352 thousand, (as of December, 31 2013: EUR 30,494 thousand, as of January 1, 2013 EUR 5,882 thousand, respectively).

Tax loss carry-forwards in other countries

As of December 31, 2014 and 2013 and January 1 2013, the consolidated foreign subsidiaries have unrecognized unused accumulated corporate income tax loss carry forwards originated and generally usable in the respective jurisdictions in the amount of approximately EUR 88,421 thousand, as of December 31, 2013 EUR 91,076 thousand, as of January 1, 2013 EUR 33,380 thousand, respectively.

To a great extent the tax losses comes from Brazilian subsidiaries amounting to EUR 64,583 thousand, (as of December 31, 2013 EUR 45,289 thousand, as of January 1, 2013 EUR 18,171 thousand) and Luxembourgian subsidiaries, amounting to EUR 5,162 (December 31 2013 EUR 3,186 thousand, January 1, 2013 EUR 0 thousand). In both countries, tax losses may be carried forward without any time limitation. Furthermore as of December 31, 2014 and 2013 and January 1 2013, the consolidated Mexican subsidiaries have unrecognized unused tax loss carry forwards of EUR 8,024 thousand, EUR 2,857 thousand, EUR 0 thousand, respectively. Losses incurred may be carried forward over a subsequent ten-year period.

The remaining tax losses of EUR 10,652 thousand as of December 31, 2014 include tax losses from various countries. Tax losses of EUR 135 thousand thereof expire within a five-year period, EUR 1,788 thousand expire within 8 years. EUR 1,068 thousand expire within 20 years and EUR 7,661 thousand may be carried forward without any time limitation.

The tax loss carry forwards as of December 31, 2013 include EUR 33,447 thousand (as of January 1, 2013 EUR 14,233 thousand) from several countries where Jumia (Africa eCommerce Holding GmbH and its subsidiaries) operates, which was deconsolidated in July 2014.

Tax loss carry forwards are subject to review and possible adjustment by the tax authorities. Furthermore, under current German tax laws, certain substantial changes in the entity ownership and business may further limit the amount of net operating loss carryforwards, which could be utilized annually to offset future taxable income. Given the number of significant mergers, exits, spin-offs and other reorganizational measures, particularly at the level of the Group, there can be no assurance that current tax losses, tax loss carry-forwards originated and generally usable in Germany or in other countries may have been partially or completely lost. As the majority of the consolidated operating subsidiaries has a loss history and continues to incur substantial tax losses, a full valuation allowance has been provided for the deferred tax assets to the extent it exceeds any tax liabilities.

Outside bases differences

Deferred tax liabilities on temporary differences related to measurement of shares in associated companies and joint ventures of EUR 17,773 thousand (as of December 31, 2013 EUR 9,641 thousand, as of January 1, 2013 EUR 4,701 thousand) were offset against deferred tax assets arising from unused tax loss carry forwards of EUR 5,521 thousand (as of December 31, 2013 EUR 0 thousand, as of January 1, 2013 EUR 0 thousand), and deferred tax assets from deductible temporary differences of EUR 8,270 thousand (as of December 31, 2013 EUR 6,466 thousand, as of January 1, 2013 EUR 1,453 thousand).

The Company controls the reversal of temporary differences related to taxes chargeable on dividends from subsidiaries or on gains upon their disposal ("outside basis differences"). For temporary differences of EUR 10,882 thousand (as of December 31, 2013 EUR 6,682 thousand, as of January 1, 2013 EUR 6,660 thousand) deferred tax liabilities are not recognized except to the extent that Management expects the temporary differences to reverse in the foreseeable future.

24 Earnings per Share

Basic earnings per share (EPS)

Basic earnings per share are calculated by dividing profit for the period attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the year.

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period.

By resolution of the extraordinary shareholders' meeting held on August 22, 2014, the Rocket's subscribed capital was increased from own resources by EUR 119,912 thousand from EUR 190 thousand to EUR 120,102 thousand. The share split was registered with the Commercial Register on September 1, 2014. The share capital for the financial year 2013 is calculated by the number of shares of Rocket GmbH (103,386), retrospectively adjusted in accordance with IAS 33. The adjusted total number of shares as of December 31, 2013 is EUR 120,053 thousand.

Diluted earnings per share (EPS)

Diluted earnings per share are calculated by dividing profit used to determine diluted earnings per share for the period by the weighted average number of diluted shares. The calculation of diluted earnings per share does not assume potential ordinary shares that would have an antidilutive effect on earnings per share.

In 2014 the Company granted members of the Managing Board and certain employees 7,180,488 share options which were not taken into account when calculating diluted earnings per share since the performance targets necessary to exercise the options are not achieved at the end of the reporting period.

Earnings per share are calculated as follows:

	Jan 1 - Dec 31 2014	Jan 1 - Dec 31 2013
Profit attributable to equity holders of the parent (in thousands of EUR)	463,022	1,431,899
Weighted average number of ordinary shares in issue (in thousands)	143,022	120,053
Earnings per share (basic and diluted) in EUR	**3.24**	**11.93**

Earnings per share have decreased from EUR 11.93 to EUR 3.24, which mainly corresponds to the decline in earnings for the period.

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

Transactions involving ordinary shares between the reporting date and the date of the authorization of these financial statements

For further information reference is made to Note 46 "Events after the reporting period".

Notes to the Balance Sheet

25 Property, Plant and Equipment

Movements in the carrying amount of property, plant and equipment were as follows:

	Leasehold improvements	Other property, plant and equipment	Total
	In thousands of EUR		
Cost			
As of Jan 1, 2013	**112**	**2,294**	**2,406**
Additions	523	2,253	**2,776**
Disposals	0	− 212	**− 212**
Reclassified to assets held for sale	− 197	− 1,445	**− 1,642**
Exchange differences	− 5	− 253	**− 258**
As of Dec 31, 2013	**433**	**2,639**	**3,070**
Additions	136	3,521	**3,657**
Disposals	− 31	− 1,010	**− 1,041**
Changes in the basis of consolidation	2	− 1,252	**− 1,250**
Reclassified to assets held for sale	0	− 211	**− 211**
Exchange differences	1	7	**8**
As of Dec 31, 2014	**541**	**3,693**	**4,233**
Depreciation and impairment			
As of Jan 1, 2013	**0**	**0**	**0**
Depreciation charge for the year	− 22	− 1,140	**− 1,162**
Disposals	0	2	**2**
Reclassified to assets held for sale	17	452	**469**
Exchange differences	0	23	**24**
As of Dec 31, 2013	**− 5**	**− 664**	**− 669**
Depreciation charge for the year	− 168	− 1,047	**− 1,215**
Disposals	1	359	**360**
Changes in the basis of consolidation	6	263	**269**
Reclassified to assets held for sale	0	149	**149**
Exchange differences	0	3	**3**
As of Dec 31, 2014	**− 166**	**− 937**	**− 1,103**
Net book value			
As of Jan 1, 2013	**112**	**2,294**	**2,406**
As of Dec 31, 2013	**428**	**1,974**	**2,402**
As of Dec 31, 2014	**375**	**2,756**	**3,131**

Significant increase in property, plant and equipment between years presented primarily relate to additions of furniture, fittings and other equipment. On December 31, 2014 no property and equipment was pledged to third parties as collateral.

26 Intangible Assets

Intangible assets developed as follows in fiscal years 2013 and 2014:

	Internally generated intangible assets	Purchased industrial and similar rights	Total
	In thousands of EUR		
Cost			
As of Jan 1, 2013	**3,505**	**436**	**3,941**
Additions	2,479	935	**3,414**
Disposals	0	− 248	**− 248**
Changes in the basis of consolidation	0	863	**863**
Reclassified to assets held for sale	0	− 466	**− 466**
Exchange differences	1	− 80	**− 79**
As of Dec 31, 2013	**5,985**	**1,440**	**7,425**
Additions	2,569	2,295	**4,864**
Disposals	0	− 36	**− 36**
Changes in the basis of consolidation	0	− 1,069	**− 1,069**
Reclassified to assets held for sale	0	− 6	**− 6**
Exchange differences	1	2	**3**
As of Dec 31, 2014	**8,545**	**2,625**	**11,181**
Amortization and impairment			
As of Jan 1, 2013	**0**	**0**	**0**
Amortization charge for the year	− 703	− 322	**− 1,025**
Disposals	0	15	**15**
Reclassified to assets held for sale	0	145	**145**
Exchange differences	0	10	**10**
As of Dec 31, 2013	**− 703**	**− 152**	**− 855**
Amortization	− 1,151	− 287	**− 1,438**
Disposals	0	− 3	**− 3**
Changes in the basis of consolidation	0	140	**140**
As of Dec 31, 2014	**− 1,854**	**− 302**	**− 2,156**
Net book value			
As of Jan 1, 2013	**3,506**	**436**	**3,942**
As of Dec 31, 2013	**5,282**	**1,288**	**6,570**
As of Dec 31, 2014	**6,701**	**2,323**	**9,024**

The increase in intangible assets primarily relates to additions of internally generated intangible assets amounted to EUR 2,569 thousand (prior year: EUR 2,479 thousand). As of December 31, 2014 no intangible assets have been pledged to third parties as collateral.

27 Non-Current Financial Assets

Non-current financial assets are comprised of the following:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Equity instruments (accounted for at fair value through profit or loss)	336,547	66,078	22,401
Subsidiaries outside consolidation	1,817	2,072	2,000
Security deposits	115	131	6
Other financial assets	51	74	0
Total non-current financial assets	**338,530**	**68,355**	**24,407**

For additional information regarding Equity instruments accounted for at fair value through profit or loss see Note 42.

28 Inventories

Inventories are mainly comprised of merchandise.

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Gross inventories	11,532	7,519	8,898
Write-down	−294	−96	−57
Total inventories	**11,238**	**7,423**	**8,841**

As of December 31, 2014 advance payments for inventories amount to EUR 277 thousand (December 31, 2013: EUR 228 thousand, January 1, 2013: EUR 224 thousand) and relate to prepayments for ordered goods. Advance payments for inventories are shown under other current non-financial assets.

Except for customary retention of proprietary rights, all inventories are free from rights of third parties.

29 Trade Receivables

Trade receivables are comprised of the following:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Trade receivables from third parties	7,981	2,652	1,261
Trade receivables from subsidiaries (outside consolidation)	671	814	2,142
Trade receivables from associated companies	12,096	2,255	11,094
Trade receivables	**20,748**	**5,721**	**14,497**

As of December 31, 2014 trade receivables in the amount of EUR 45 thousand (December 31, 2013: EUR 24 thousand, January 1, 2013: EUR 0 thousand) are non-current.

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Gross trade receivables	21,460	6,437	14,879
Valuation allowance	−712	−716	−382
Trade receivables	**20,748**	**5,721**	**14,497**

The aging analysis of trade receivables is as follows:

	Book value	Not past due and not impaired	Past due, but not impaired 1 – 30 days	31 – 90 days	91 – 180 days	> 180 days	Impaired receivables (gross)	Impairment amount
	In thousands of EUR							
Dec 31, 2014	20,748	20,433	144	36	48	87	712	−712
Dec 31, 2013	5,721	4,598	734	118	42	228	716	−716
Jan 1, 2013	14,497	8,951	1,375	2,714	932	525	382	−382

Valuation allowances on trade receivables changed as follows:

	Valuation allowance
	In thousands of EUR
As of Jan 1, 2013	**−382**
Additions	−353
Reversal	17
Currency translation difference	2
As of Dec 31, 2013	**−716**
Additions	−44
Reversal	34
Change in scope of consolidation	14
Currency translation difference	0
As of Dec 31, 2014	**−712**

30 Other Current Financial Assets

Other current financial assets are comprised of the following:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Loan receivables from associated companies	7,857	15,019	11,799
Loan receivables from subsidiaries (outside consolidation)	1,991	3,176	6,293
Receivables from the sale of investments	1,930	0	0
Security deposits	1,872	355	75
Other financial assets (current)	1,445	2,176	351
Total other current financial assets	**15,095**	**20,726**	**18,518**

The aging analysis of other current financial receivables is as follows:

	Book value	Not past due and not impaired	Past due, but not impaired 1 – 30 days	31 – 90 days	91 – 180 days	> 180 days	Impaired receivables (gross)	Impairment amount
	In thousands of EUR							
Dec 31, 2014	15,095	14,554	188	58	38	257	19	− 19
Dec 31, 2013	20,726	19,811	520	46	226	123	17	− 17
Jan 1, 2013	18,518	11,631	4,908	1,293	541	145	0	0

31 Non-Financial Assets

Non-financial assets are comprised of the following:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Prepayments on shares in associated companies	3,764	0	0
Other prepayments	20	0	0
Other non-financial assets	374	40	0
Other non-current non-financial assets	**4,158**	**40**	**0**
Receivables from sales tax / VAT	3,942	1,836	1,079
Prepaid expenses	3,338	487	616
Prepayments	385	500	301
Other non-financial assets (current)	310	358	1,528
Other current non-financial assets	**7,975**	**3,181**	**3,524**
Total non-financial assets	**12,133**	**3,221**	**3,524**

The prepayments on shares in associated company of EUR 3,764 relate to the acquisition of shares, the ownership of which has not yet passed as of December 31, 2014, due to unfulfilled conditions precedent.

32 Cash and Cash Equivalents / Consolidated Statement of Cash Flows

Cash and cash equivalents are comprised of the following:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Bank balances	2,053,206	413,746	214,506
Checks	230	36	0
Petty cash	12	80	37
Cash and cash equivalents	**2,053,448**	**413,862**	**214,543**

Additional information to the consolidated statement of cash flows

Non-consolidated equity investments

Non-consolidated equity investments specified in the consolidated statement of cash flows relate to investments in associates and joint ventures, prepayments on shares in associates and other participations in which Rocket directly or indirectly holds less than 20% of the outstanding voting rights as well as non-material subsidiaries.

Non-cash investing and financing activities and transactions

Significant non-cash investing and financing activities and transactions comprise the exchange of shares in the fully consolidated LIH Subholding Nr. 5 UG (haftungsbeschränkt) & Co. KG (including its 13 subsidiaries) against shares in Emerging Markets Online Food Delivery Holding S.à r.l. accounted for at fair value, as well as the acquisition of shares in Global Fashion Holding S.A. (established in 2014) through a contribution in kind of shares in Bigfoot GmbH. In August 2014, the parent company increased its capital and used the new shares in two instances to acquire additional participations. Firstly, Rocket received from Holtzbrinck Ventures shares in the following participations: Bigfoot GmbH, BGN Brillant Services GmbH, Home24 GmbH and Westwing Group Holding GmbH. Secondly, United Internet AG and Global Founds Fund GmbH contributed an existing portfolio of more than 50 equity interests in companies into Rocket Internet SE. For further information reference is made to Note 34.

Cash and cash equivalents

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

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Balance sheet line item cash and cash equivalents	2,053,448	413,862	214,543
Cash and bank balances included in the assets held for sale	0	33,356	0
Cash and short-term deposits, net of bank overdrafts	**2,053,448**	**447,218**	**214,543**

33 Assets Classified as Held for Sale and Liabilities Associated with Assets Classified as Held for Sale

The Group's basis of consolidation as well as the shares held in subsidiaries or associated companies change in each financial period. Usually, Rocket has control and applies full consolidation when an enterprise is founded. In subsequent financing rounds, the enterprises attract the equity necessary to further extend operations from Rocket as well as from other external investors. This means that Rocket's direct and indirect share in the entities decreases over time.

Sometimes an agreement with new investors is signed before the balance sheet date, but executed after the balance sheet date. When such an agreement results in the loss of control of Rocket in a subsidiary and the loss of control is highly probable, all related assets and liabilities that will leave the Group due to the agreement are shown as assets classified as held for sale and liabilities associated with assets classified as held for sale.

Assets classified as held for sale and liabilities associated with assets classified as held for sale comprises the following:

Dec 31, 2014	Paymill Holding GmbH / Payleven Holding GmbH	Playa Games GmbH	Total
	In thousands of EUR		
Shares in associates	212		212
Non-current assets	**212**		**212**
Other current financial assets		3,667	3,667
Current assets		**3,667**	**3,667**
Assets classified as held for sale	**212**	**3,667**	**3,879**

In August 2014, as a part of the portfolio contribution of the Global Founders Capital funds, the Group acquired shares in Playa Games GmbH. The shares were sold in July 2014 (signing). The closing of the transaction was concluded in May 2015.

In December 2014, Philippine Long Distance Telephone Company (PLDT) and Rocket entered into an agreement to establish a global Joint Venture for payment services with a focus on emerging markets, with each partner holding a 50% stake. This project builds on the complementary strengths of Rocket and PLDT, to drive the adoption of online and mobile payment solutions in emerging markets. PLDT contributes the intellectual property, platforms and business operations of its market leading mobile-first payment platform Smart e-Money Inc., Rocket contributes its two associated companies Paymill Holding GmbH and Payleven Holding GmbH (both accounted for pursuant to the equity method). The closing of the transaction is expected to be concluded in the second half of 2015.

Dec 31, 2013	Middle East Internet Holding S.à r.l.	Africa Internet Holding GmbH	Total
	In thousands of EUR		
Intangible assets	4	321	325
Property, plant and equipment	0	1,173	1,173
Financial assets	13	82	95
Other non-current assets	0	106	106
Non-current assets	**16**	**1,682**	**1,698**
Inventories	0	3,928	3,928
Trade receivables	0	2,999	2,999
Other current non-financial assets	81	4,270	4,350
Cash and cash equivalents	1,593	31,763	33,356
Current assets	**1,674**	**42,960**	**44,633**
Assets classified as held for sale	**1,690**	**44,642**	**46,331**
Other non-current liabilities	0	263	263
Non-current liabilities	**0**	**263**	**263**
Current loans	0	698	698
Trade payables	663	3,634	4,297
Other current liabilities	27	5,332	5,359
Current liabilities	**690**	**9,664**	**10,354**
Liabilities associated with assets classified as held for sale	**690**	**9,927**	**10,617**

As part of our global strategy, we have created Regional Internet groups in Africa (Africa Internet Holding GmbH) and the Middle East (Middle East Internet Holding S.à r.l.) among others in order to bundle local market and business model insights, facilitate regional commercial, strategic and investment partnerships, in particular with mobile telecommunication providers, enable local recruiting and sourcing and accelerate the regional rollout of our companies. Our local strategic joint-venture partners MTN and Millicom, are co-investors in Regional Internet Groups in Africa and the Middle East and provide them and our companies with significant strategic support and opportunities to benefit from synergies.

Cumulative income or expense recognized in other comprehensive income relating to assets and liabilities classified as held for sale amounted to EUR 0 thousand (prior year: EUR 0 thousand).

34 Share Capital and Reserves

As of January 1, 2013, the share capital of Rocket Internet amounted to EUR 103 thousand and was divided into 103,386 common shares with a nominal value of 1 EUR per share.

By resolution of the shareholders' meeting of the Company held on July 8, 2013, the Company's share capital was increased by EUR 6 thousand, from EUR 103 thousand to EUR 110 thousand. In the course of this capital increase the shareholders made additional cash payment in the amount of EUR 159,851 thousand.

On July 8, 2013, the Group sold and transferred its 34,440 shares in Zalando to its shareholders Global Founders and Emesco in accordance with their proportional shareholdings in Rocket Internet. Simultaneously, Global Founders and Emesco initially sold and transferred 43,050 shares in Rocket Internet SE to Rocket. On February 4, 2014, the purchase price for the shares in Zalando shares sold to shareholders on July 8, 2013 was adjusted pursuant to a purchase price adjustment mechanism. Accordingly, the sale of shares in Rocket Internet SE from Global Founders and Emesco to the Group on July 8, 2013 was adjusted to 38,597 shares in Rocket Internet SE. Reference is made to Note 43 Balances and Transactions with Related Parties, section "Zalando spin-off".

As of December 31, 2013 the share capital amounted to EUR 110 thousand and treasury shares amounted to EUR 43,050 in the Consolidated Financial Statements. The capital reserve amounted to EUR 490,707 thousand and included effects from payments by non-controlling interests of a total of EUR 13,312 thousand.

Based on a resolution passed at the shareholders' meeting on February 4, 2014, the Company's nominal capital was increased in exchange for non-cash contribution by EUR 546 to EUR 110,346. In conjunction with this capital increase, the shareholders agreed to convert a liability to a shareholder in equity resulting in an increase of the capital reserve by EUR 14,477 thousand.

In May 2014, the shareholders agreed on a combined distribution of cash and distribution in kind (distribution in advance). Consequently, Rocket Internet SE transferred by way of a separate share transfer agreement shares in two associates to Emesco AB and AI European Holdings S.à r.l. The carrying amount of the transferred shares amounted to EUR 92,640 thousand. The fair value of the distributed shares amounted to EUR 153,234 thousand. Global Founders GmbH received a cash dividend of EUR 286,766 thousand. The distributions were made by withdrawing EUR 270,483 thousand from the capital reserves.

In August 2014, 38,579 treasury shares were redeemed in a simplified redemption process pursuant to Sec. 237 (3) No. 3 AktG (without capital decrease).

In the course of the capital increase resolution dated August 22, 2014 (I) capital reserves amounting to EUR 33 thousand were converted into share capital.

By the capital increase resolution dated August 22, 2014 (II) the share capital was increased by EUR 16 thousand by issuance of new no-par value registered shares to PLDT Online Investments PTE.LTD. (PLDT) in exchange for a cash contribution. In the course of the capital increase resolution dated August 22, 2014 (II) allocations to the capital reserve in the amount of EUR 333,326 thousand were made by PLDT as a consequence of additional paid-in capital for the acquisition of new shares.

By the capital increase resolution dated August 22, 2014 (III) the share capital was increased by EUR 26 thousand by issuance of new no-par value registered shares to United Internet and Global Founders in exchange for cash contributions. In the course of the capital increase resolution dated August 22, 2014 (III) allocations to the capital reserve in the amount of EUR 333,326 thousand were made as a contribution in cash by United Internet and EUR 255,000 thousand as a contribution in kind by United Internet and Global Founders. In total EUR 588,326 thousand were made as a consequence of additional paid-in capital for the acquisition of new shares.

By the capital increase resolution dated August 22, 2014 (IV) the share capital was increased by EUR 5 thousand by issuance of new no-par value registered shares to Holtzbrinck in exchange for cash contributions. In the course of the capital increase resolution dated August 22, 2014 (IV) allocations to the capital reserve in the amount of EUR 126,033 thousand were made by Holtzbrinck as a consequence of additional paid-in capital for the acquisition of new shares.

By the capital increase resolution dated August 22, 2014 (V) the share capital of the Company was increased by EUR 119,913 thousand via the capital increase by conversion of a capital reserve.

In the course of the initial public offering on October 2, 2014, a number of 33,028,311 new shares with a value of EUR 1 each were issued.

In the course of the initial public offering (IPO) on October 2, 2014, a share premium in the amount of EUR 1,370,675 thousand was realized and allocated to the capital reserve. In connection with the IPO, Rocket Internet SE incurred transaction costs directly attributable to the raising of capital, amounting to EUR 34,423 thousand, net of the income tax benefit associated with this in the amount of EUR 5,521 thousand. This was recognized as a deduction from the capital reserve. As of December 31, 2014, EUR 25,081 thousand of the total amount of the transaction costs has been paid.

As of December 31, 2014, the subscribed capital amounted to EUR 153,131 thousand and was fully paid-in. The registered share capital is divided into 153,130,566 no-par value bearer shares. As of December 31, 2014, no treasury shares were held.

During the financial year 2014 the capital reserves increased by EUR 1,991,936 thousand from EUR 490,707 thousand to EUR 2,482,643 thousand.

The changes in the equity-settled share-based payments (IFRS 2) are explained in the below table and are driven by increases in the reserve through the income statement, the deconsolidation of entities and allocation to non-controlling interests.

Equity-settled share-based payments recognized as increase/decrease in equity comprise the following:

	2014	2013
	In thousands of EUR	
Equity-settled share-based payments recognized as employee benefit expenses of the period	51,295	8,236
Changes due to deconsolidation and allocation to non-controlling interests	− 14,046	− 214
Equity-settled share-based payments (IFRS 2) as presented in consolidated statement of changes in equity	**37,249**	**8,022**

35 Distributions Made and Proposed

Dividends declared and paid during the year were as follows:

	2014	2013
	In thousands of EUR (except per share data)	
Dividends payable as of Jan 1	0	0
Dividends declared during the year	440,000	80,574
Dividends paid during the year	−440,000	−80,574
Dividends payable as of Dec 31	**0**	**0**
Dividends per share declared during the year (in EUR per share)[1)]	**2.87**	**0.53**

1) Calculated based on 153,130,566 ordinary shares outstanding and issued as of December 31, 2014

In the third quarter 2013, the shareholders resolved on granting shareholders an advance cash dividend of EUR 80,574 thousand.

In second quarter 2014, the shareholders resolved a EUR 440,000 thousand advance combined dividend in kind and in cash. Following the resolution, Rocket transferred 4,145 and 1,892 shares in Bigfoot GmbH to Emesco AB and AI European Holdings S.à r.l., respectively, as well as 4,559 and 2,082 shares in BGN Brillant Services GmbH to Emesco AB and AI European Holdings S.à r.l., respectively. The fair value of the distributed shares amounted to EUR 153,234 thousand. In addition, observing the percentage of shares held by the shareholders, a cash dividend of EUR 286,766 thousand was paid to Global Founders GmbH.

Non-cash distribution of the shares in the associated companies was measured at fair value and gave rise to the following gain:

	2014
	In thousands of EUR
Fair value of the distributed shares	153,234
Less carrying amount prior to distributions (at equity method)	92,640
Gain from distribution of non-cash assets to owners	**60,594**

36 Non-Current Financial Liabilities

Non-current financial liabilities are comprised of the following:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Mandatorily redeemable preference shares issued by consolidated subsidiaries	4,950	0	0
Other financial liabilities	365	1,138	575
Total non-current financial liabilities	**5,315**	**1,138**	**575**

37 Trade Payables

As of December 31, 2013 trade payables amount to EUR 43,703 thousand (December 31, 2013: EUR 23,271 thousand, January 1, 2013: EUR 11,965 thousand).

38 Other Current Financial Liabilities

Other current financial liabilities are comprised of the following:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Loan liabilities	7,290	32,518	16,714
Bank liabilities	164	23	17
Refund liability for sales with a right of return	1,153	442	0
Other financial liabilities	1,454	1,187	621
Total other current financial liabilities	**10,061**	**34,170**	**17,352**

39 Non-Financial Liabilities

Other current non-financial liabilities are comprised of the following:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Personnel liabilities	2,930	2,268	3,367
Liabilities from cash-settled share based payments	60,530	47,808	10,878
Tax liabilities	4,176	3,724	1,755
Advance payments received	1,358	538	76
Deferred income	919	329	125
Other non-financial liabilities	1,961	1,089	5,377
Other current non-financial liabilities	**71,874**	**55,756**	**21,578**
Other non-current non-financial liabilities	**498**	**8**	**36**
Total non-financial liabilities	**72,372**	**55,764**	**21,614**

Liabilities from cash-settled share-based payments relate to employees as well as to others providing similar services as defined in IFRS 2.

40 Share-Based Compensation

The Group operates share-based compensation arrangements for eligible and selected directors, employees or others providing similar services to the Group ("a participant" or "participants"). These arrangements consist of four different types of awards:

- I. Share options in the Company,
- II. Ordinary shares in subsidiaries,
- III. Share options in subsidiaries,
- IV. Cash settled awards.

I. Share options in the Company (Stock Option Programs 2014)

Under the Stock Option Programs 2014 ("SOP I" and "SOP II") one share option grants the holder the right to subscribe for one share of the Company.

All share options under the SOP I were granted to the Company's CEO after the listing of the Company's shares on the Open Market of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse or the 'Open Market'*) on October 2, 2014. These share options with an exercise price of EUR 42.63 per share option will vest in monthly installments over a five-year vesting period and can be, subject to certain conditions, exercised after a waiting period of four years commencing on the date the share options were granted.

The options granted under the SOP I can only be exercised if:

(i) the Company successfully launches an average of at least four companies per year during the four-year waiting period; and

(ii) the stock price reflects, at least one single trading day within the waiting period, a valuation of the Company of EUR 6.45 billion.

Under the SOP II, the Supervisory Board is authorized to grant up to 1,201,022 share options to each of the other two members of the Managing Board (i.e. the CFO and the General Managing Director), up to 1,201,023 share options to certain employees of the Company, up to 3,002,557 share options to members of the management of affiliated companies and up to 600,511 share options to certain employees of affiliated companies. On 1 October 2014, in total 2,638,776 options were granted under the SOP II.

The SOP II provides for an overall ten-year vesting period with a certain number of share options vesting after an initial four-year vesting term and the remaining share options vesting in yearly installments thereafter. The share options can be, subject to their vesting and certain other conditions, exercised after a four-year waiting period commencing on the date the respective share options are granted.

The exercise price of the share options granted prior to the inclusion of the Company's shares in the Open Market amounts to EUR 26.14 per share option. For share options granted subsequent to inclusion of the Company's shares in the Open Market the exercise price per share option corresponds to the volume-weighted average closing price of the shares on the twenty consecutive trading days prior to the relevant grant date.

The exercise of share options under the SOP II requires that:

(i) the shares of the Company are included in the Open Market until October 31, 2014 and

(ii) the Company successfully launches an average of at least four companies per year during the four-year waiting period.

If the performance targets are not achieved by the end of the waiting period, the share options granted under the Stock Option Programs 2014 will forfeit completely without any further consideration. In addition, the share options are only exercisable within three weeks after publication of such financial interim reports or financial statements, as the case may be, which follow the end of the waiting period.

The table below provides an overview of the movements in the share option awards, which entitle the employee to purchase shares in Rocket Internet SE if the vesting conditions are met, and their related weighted average exercise prices:

	2014	
Share options	**Weighted average exercise price**	**Number of options**
Number of options outstanding at January 1	**—**	**0**
Granted during the period	EUR 36.57	7,180,488
Forfeited during the period	—	0
Exercised during the period	—	0
Number of options outstanding at December 31	**EUR 36.57**	**7,180,488**
Exercisable at the end December 31	—	0

The weighted average remaining contractual life for the share options outstanding as of December 31, 2014 is 9.75 years.

The parameters applied in the Black Scholes option valuation formula and the related estimated fair values per share option are as follows as measured on the grant dates in 2014:

	SOP I	**SOP II**
Fair value (EUR per Option)	16.38	27.81
Share price (EUR per Share)	42.50	42.50
Exercise price (EUR per Share)	42.63	26.14
Expected volatility (%)	45.00	45.00
Dividend yield (%)	0.00	0.00
Risk-free interest rate (%)	0.01	0.09
Expected life of share options (years)	5.00	10.00

The share price of EUR 42.50 per share is equal to the IPO price of the Company's shares. Prior to October 2014, the Company was a private company and lacked company-specific historical and implied volatility information. Therefore, we estimated our expected volatility based on the historical volatility of publicly traded comparable companies and expect to continue to do so until such time as we have adequate historical data regarding the volatility of our traded share price. The average of the vesting period and the contractual expiration date is considered the expected life for all options granted in 2014.

II. Ordinary shares in subsidiaries

The respective share-based payment arrangements provide for equity participation via a trust relationship. The trustee entity holds a certain amount of shares in accordance with the terms and conditions of a trust agreement for the benefit of the trustor, who can be the participant or an investment entity controlled by such participant. A separate agreement, between the trustor and the relevant company receiving services, governs certain obligations regarding, inter alia, vesting-rights and non-compete obligations that relate to the indirect shareholding of the relevant participant in the relevant company. The vesting scheme, which is dependent on time and subject to continued services, provides for quarterly vesting over a period of typically 4 years (6.25% per quarter) and typically a 6-month or 12-month cliff. A leaver event prior to the expiration of the cliff period, typically all shares can be clawed back. Thereafter, in case of a bad leaver event, the Company may typically also claw back all vested and unvested shares, while in case of a good leaver event, the Company may only claw back the unvested shares.

A bad leaver event is typically triggered, if, for example, the respective service agreement between a participant and subsidiary is terminated by such company for cause, the participant demonstrably committed a criminal offence against the company or such member breached its non-compete obligation. A good leaver event is typically triggered, if, for example, the service agreement is terminated by either party without cause.

Shares in subsidiaries of the Group have been issued to participants at the nominal value of the shares of EUR 1. If the applicable vesting conditions are not met (typically if a participant's employment is terminated), Rocket Internet SE or a subsidiary has a right to reacquire these shares at the nominal value or – if lower – at market value.

Movements in the number of shares are as follows:

	2014	2013
Number of unvested shares at January 1	**7,055**	**9,682**
Granted during the period	5,772	2,707
Vested during the period	−4,577	−3,995
Forfeited during the period	−596	−1,339
Number of unvested shares at December 31	**7,654**	**7,055**
Number of vested shares at December 31	12,562	7,986

The share prices for subsidiaries were estimated using the shares prices paid by investors in past financing deals. Given that a subsidiary has multiple classes of equity, we employed the hybrid method in order to allocate equity to the various equity classes. The Finnerty Option Pricing Model was used to calculate a liquidity discount for the shares. Based on the estimated fair market value of the relevant shares, the total price paid by the participants for the shares (EUR 1 per share) included a purchase discount. The fair value of the share awards reported as a share-based payment expense is calculated as the difference between the estimated fair value and the price paid for the shares.

The weighted average grant date fair value of the shares awarded during 2014 and 2013 amounts to EUR 1,977 (i.e. between EUR 418 and EUR 41,047) and EUR 2,254 (i.e. between EUR 48 and EUR 15,298) per share, respectively.

III. Share options in subsidiaries

Call option arrangements entitle participants to acquire a pre-defined number of shares in the relevant subsidiary. The call options are usually vesting subject to continued services at quarterly intervals during a 3-year period (8.33% per quarter) or a 4-year period (6.25% per quarter); typically following a 12-month cliff vesting. In certain cases a 6-month cliff vesting applies and in a few cases there is no cliff vesting. Under certain call option agreements (and if certain conditions are met), approximately one third of all call options vest upon the later of (i) the occurrence of a change of control event or (ii) 4 years after the first call options were granted. In the case of a change of control event in relation to the subsidiary, the relevant subsidiary is entitled to request that relevant participants exercise all call options outstanding at such point in time. Upon the occurrence of a bad leaver event, all call options that have not been exercised lapse. In the case of a good leaver event, all call options lapse for which the exercise period has not yet commenced.

Movements in the number of shares options and their related weighted average exercise prices are as follows:

	2014		2013	
	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares
Outstanding options at January 1	EUR 1.00	8,798	EUR 1.00	4,005
Granted during the year	EUR 1.00	6,087	EUR 1.00	4,794
Exercised during the year	EUR 1.00	0	EUR 1.00	0
Forfeited during the year	EUR 1.00	0	EUR 1.00	0
Outstanding options at December 31	EUR 1.00	14,885	EUR 1.00	8,798
Exercisable at December 31	EUR 1.00	**2,432**	EUR 1.00	**745**

The contractual lives for the options are not specified in the option agreements. As a result, the weighted average remaining contractual life for the options outstanding at the reporting date is dependent on future exit events. In accordance with individual agreements, the outstanding options have an exercise price of EUR 1 per share.

As the options granted have an exercise price of EUR 1 per share, the fair values of the options are equal to their intrinsic values. Accordingly, the main parameters applied are as follows:

	2014	2013
Range of share prices (EUR per share)	56 - 26,203	215 – 23,687
Exercise price (EUR per share)	1.00	1.00

The weighted average grant date fair value of the options granted during 2014 and 2013 amounts to EUR 4,855 (i.e. between EUR 56 and EUR 26,203) and EUR 3,279 (i.e. between EUR 215 and EUR 23,687) per share, respectively. In some cases, the grant date fair values have been estimated because the option agreements have not yet been finalized.

The consolidated subsidiaries' share prices were estimated using the price of shares paid by investors in past financing deals. Given that a subsidiary has multiple classes of equity, we employed the hybrid method in order to allocate equity to the various equity classes. The Finnerty Option Pricing Model was used to calculate a liquidity discount for the shares.

IV. Cash settled awards

This type of share-based payment award granted by certain group companies allows the participants to participate in exit related cash payments via call option arrangements. The notional value and the actual distribution of the relevant call options to the participants are determined by the relevant company's management and are subject to certain shareholders' approvals. The vesting scheme has a duration of 4 years. The participants are entitled to a cash payment amounting to the difference between the exercise price of the call options and the exit proceeds allocated to each share underlying the call options in case of a change of control or listing of the subsidiary on a stock exchange.

The carrying amount of the liability relating to the cash-settled awards as of December 31, 2014 was EUR 48,144 thousand (December 31, 2013: EUR 47,808 thousand, January 1, 2013 EUR 10,878 thousand). All cash settled awards had vested at December 31, 2014 and 2013, and January 1, 2013, respectively.

Total expense arising from share-based payment transactions

The expense recognized for employee services received during the year is shown in the following table:

	2014	2013
	In thousands of EUR	
Equity-settled share-based payments	51,295	8,236
Cash-settled share-based payments	16,691	41,403
Total expense	**67,986**	**49,639**

41 Financial Risk Management

The risk management function within the Company is carried out in respect of financial risks, operational risks and legal risks. The Group's main risks arising from existing financial instruments relate to the credit risk, liquidity risk and currency risk.

The major financial instruments of Rocket Group are cash (52% of total assets; previous year 33%) and equity instruments accounted for at fair value through profit or loss (9% of total assets; previous year 5%) and other financial assets (<1% of total assets; previous year 2%). The Group also records trade receivables and liabilities as well as loan receivables and liabilities from and to subsidiaries, which arise in the ordinary course of business.

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.

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 Group, which are accounted for either under the at-equity method or at fair value through profit or loss.

Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are 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.

Risk management is carried out by a central treasury department under control of managing directors. The board of directors provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk and interest rate risk and investment of excess liquidity.

Credit Risk

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

The credit risk exists for all financial assets in particular for deposits, receivables from associates and trade receivables. The Group's receivables are unsecured. Therefore, the maximum credit risk 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 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.

The control and mitigation of credit risk of receivables from associates is carried out by the investment control function. Trade receivables mainly relate to the Group's eCommerce activities. In the eCommerce sector, credit 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 credit risks is limited because of the broad and heterogeneous structure of the customer base.

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

The Company's maximum exposure to credit risk by class of assets is as follows:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Trade and other financial receivables	36,010	26,651	33,021
Cash and short-term deposits	2,053,448	413,862	214,543
Total maximum exposure to credit risk	**2,089,458**	**440,513**	**247,564**

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.

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 the financial statements of subsidiaries having a different functional currency into the reporting currency are recognized in equity in the consolidated financial statements. Foreign exchange differences that result from exchange rate changes when translating monetary balance sheet items in foreign currency are recognized in the income statement under other operating expenses or income.

The following table demonstrates the sensitivity to a reasonably possible change in Brazilian Real (BRL) exchange rates, with all other variables remaining unchanged. The Group's exposure to foreign currency changes for all other currencies is not material.

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Effect on profit before tax			
Change in BRL rate + 10%	−800	−960	0
Change in BRL rate − 10%	800	960	0

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. Management 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 operating business. Rocket 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 Company seeks to maintain a stable funding base primarily on prepayments of customers or service providers and consisting of equity. As of December 31, 2014 the Company's current assets, including assets classified as held for sale (EUR 2,113,376 thousand) exceeded current liabilities (EUR 137,827 thousand) by an amount of EUR 1,975,549 thousand. The Company invests the funds in diversified portfolios of assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. The Company's liquidity portfolio comprises cash and cash equivalents.

The maturity analysis of financial liabilities is as follows:

Dec. 31, 2014	Carrying amount	Cashflows < 1 year		Cashflows 1 - 5 years		Cashflows > 5 years	
		Principal	Interest	Principal	Interest	Principal	Interest
		In thousands of EUR					
Other non-current financial liabilities	5,315	−364	−5	−4,951	0	0	0
Interest-bearing loans and borrowings	7,453	−7,453	−5	0	0	0	0
Other current financial liabilities	2,608	−2,608	0	0	0	0	0
Trade payables	43,703	−43,696	0	−7	0	0	0

The maturity analysis of financial liabilities as of December 31, 2013 is as follows:

Dec. 31, 2013	Carrying amount	Cashflows < 1 year		Cashflows 1 - 5 years		Cashflows > 5 years	
		Principal	Interest	Principal	Interest	Principal	Interest
		In thousands of EUR					
Other non-current financial liabilities	1,138	−772	0	−366	−7	0	0
Interest-bearing loans and borrowings	32,541	−32,541	−1	0	0	0	0
Other current financial liabilities	1,629	−1,629	0	0	0	0	0
Trade payables	23,271	−23,271	0	0	0	0	0

The maturity analysis of financial liabilities as of January 1, 2013 is as follows:

Jan. 1, 2013	Carrying amount	Cashflows < 1 year		Cashflows 1 - 5 years		Cashflows > 5 years	
		Principal	Interest	Principal	Interest	Principal	Interest
		In thousands of EUR					
Other non-current financial liabilities	575	−575	0	0	0	0	0
Interest-bearing loans and borrowings	16,731	−16,731	0	0	0	0	0
Other current financial liabilities	621	−621	0	0	0	0	0
Trade payables	11,965	−11,965	0	0	0	0	0

The amounts disclosed in the tables are the contractual undiscounted cash flows.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have formal policies and procedures in place for management of interest rate risks as management considers this risk as insignificant to the Company's business.

42 Financial Instruments

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

	IAS 39 Measurement category	Measured at	Level	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
				Carrying amount			Fair Value		
				In thousands of EUR					
Non-current financial assets									
Equity instruments - listed companies	fafvo	FVTPL	1	55,585	0	0	55,585	0	0
Equity instruments - not listed companies	fafvo	FVTPL	3	280,962	66,078	22,401	280,962	66,078	22,401
Subsidiaries outside consolidation	afs	FVTOCI	3	1,817	2,072	2,000	1,817	2,072	2,000
Other non-current financial assets	lar	AC	n/a	166	204	6	166	204	6
Current financial assets									
Loan receivables from associated companies	lar	AC	n/a	7,857	15,019	11,799	7,857	15,019	11,799
Loan receivables from subsidiaries (outside consolidation)	lar	AC	n/a	1,991	3,176	6,293	1,991	3,176	6,293
Receivables from the sale of investments	lar	AC	n/a	1,930	0	0	1,930	0	0
Security deposits (current)	lar	AC	n/a	1,872	355	75	1,872	355	75
Other financial assets (current)	lar	AC	n/a	1,445	2,176	352	1,445	2,176	352
Cash and cash equivalents	lar	AC	n/a	2,053,448	413,862	214,543	2,053,448	413,862	214,543
Trade receivables	lar	AC	n/a	20,748	5,721	14,497	20,748	5,721	14,497
Other non-current financial liabilities									
Mandatorily redeemable preference shares issued by a consolidated subsidiary	flfv	FVTPL	3	4,950	0	0	4,950	0	0
Other financial liabilities	ofl	AC	n/a	364	1,138	575	364	1,138	575
Interest-bearing loans and borrowings									
Loan liabilities	ofl	AC	n/a	7,290	32,518	16,714	7,290	32,518	16,714
Bank liabilities	ofl	AC	n/a	164	23	17	164	23	17
Other current financial liabilities									
Refund liabilities from sales with a right of return	ofl	AC	n/a	1,153	442	0	1,153	442	0
Other current financial liabilities	ofl	AC	n/a	1,455	1,187	621	1,455	1,187	621
Trade payables	ofl	AC	n/a	43,703	23,271	11,965	43,703	23,271	11,965
Thereof aggregated according to the measurement categories of IAS 39									
Available-for-sale (afs)				1,817	2,072	2,000	1,817	2,072	2,000
Financial assets under fair value option (fafvo)				336,547	66,078	22,401	336,547	66,078	22,401
Loans and receivables (lar)				2,089,458	440,513	247,564	2,089,458	440,513	247,564
Financial liabilities at fair value (flfv)				4,950	0	0	4,950	0	0
Other financial liabilities (ofl)				54,129	58,579	29,892	54,129	58,579	29,892

The following **measurement categories** were used:

afs - available for sale,

fafvo - financial assets under fair value option,

lar - loans and receivables,

flfv - financial liabilities at fair value,

ofl - other financial liabilities

The following **measurement methods** were used:

AC - Amortized cost,

FVTOCI - Fair value through other comprehensive income,

FVTPL - Fair value through profit or loss

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

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

Level 2: Fair values that are determined on the basis of valuation techniques which use inputs that have a significant effect on the recorded fair value and are based on observable market data.

Level 3: Fair values that are determined on the basis of valuation techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

Except for the shares in Zalando SE and in Care.com Inc., which become publicly listed companies during the calendar year 2014, there were no reclassifications between fair value measurement at Level 1, Level 2 and Level 3.

Change in financial assets accounted to fair value through profit and loss

	2014		2013	
	all	**Level 3 only**	**all**	**Level 3 only**
	In thousands of EUR			
Opening balance as of Jan 1	**66,078**	**66,078**	**22,401**	**22,401**
Additions (including contributions in kind)	266,945	266,804	406	406
Reclassifications[1]	−7,339	−62,552	18,989	18,989
Changes in fair value	12,931	10,632	92,001	92,001
Disposals	−2,068	0	−67,718	−67,718
Closing balance as of Dec 31	**336,547**	**280,962**	**66,078**	**66,078**

1) Reclassifications during 2014 relate with EUR 55,213 thousand to the initial public offerings in care.com and Zalando, which as a result have been reclassified to Level 1.

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

Fair value measurement

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

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

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

When establishing the fair value of other financial instruments, methods that in every individual case are assumed to provide the best estimation of fair value have been used. For assets and liabilities maturing within one year, a nominal value adjusted for interest payments and premiums is assumed to provide a good approximation to fair value.

Fair value measurement of equity instruments (not listed companies)

Rocket's unlisted equity instruments are valued using IFRS 13, whereby an assessment is made to establish the valuation method that is most suitable for each individual company.

Firstly, it is considered whether any recent transactions (e.g. transaction where shares were issued to a new investor) have been made at arm's length in the companies. For new share issues, it is taken into consideration if the newly issued shares have better preference to the company's assets than earlier issued shares if the company is being liquidated or sold. The fair value is determined by using an option-pricing-model based on last financing rounds and under consideration of liquidation preferences attached to the respective equity classes as stipulated in the entities' shareholder agreements. The value of such liquidation preferences is contingent on the probability of future exit scenarios. Given that there are multiple classes of equity at the network company level, we employ the hybrid method in order to allocate values to the various equity classes. The hybrid method is a hybrid between the probability-weighted expected return method and the option pricing method, which estimates the probability weighted value across future exit scenarios, but uses the option-pricing-model to estimate the remaining unknown potential exit scenarios. Significant valuation inputs include assumptions on the allocation of exit proceeds to share classes (liquidation preferences) in future exit scenarios but also consist of peer group assumptions (stock price volatility), dividend yield (assumed with zero) and the risk free interest rate at the end of the reporting period. Furthermore, exit scenarios in which liquidation preferences were considered relevant to the fair value were assumed with probability percentages that lie between 0 and 50%.

For companies where no or few recent arm's length transactions have been performed, a valuation is conducted based on future cash flows which are discounted to receive their present value. Inputs used for discounted cash flow (DCF) valuations are business plans, cost of capital and perpetuity growth rates. Cost of capital are derived based on the capital asset pricing model using capital market data for peer group and risk free rate as well as risk premiums. A risk free rate between 0 and 0.2% is applied. Country risk premiums used are between 0 and 10% and small cap premium is 3.5%. Long term inflation rates as forecasted by the International Monetary Fund between 0 and 30% are used. Further input parameters comprise working capital assumptions, tax rates and assumptions for investment activity and depreciation.

On December 31, 2014, 7% of Rocket's total assets were unlisted equity instruments measured at fair value through profit or loss. The share price risk associated with Rocket's shareholdings measured at fair value through profit or loss may be illustrated by stating that a 10% change in the prices of these shareholdings at December 31, 2014 would have affected the Group's earnings and shareholders' equity by EUR 28,097 thousand. As of December 31, 2014 none of the unlisted equity instruments measured at fair value through profit or loss was valued using discounted cash flows.

Fair value measurement of subsidiaries outside consolidation

The unquoted dormant subsidiaries outside consolidation are classified into the available-for-sale category. As for those there are no recent transactions with other investors and their fair value cannot be reliably measured, the Group measures them at cost. In the case of permanent impairment, a write-down to the present value of future cash flows is performed.

Share price risk

The Group is exposed to financial risks in respect of share prices, meaning the risk of changes in the value of the shareholdings. Rocket's operations include management of shareholdings (equity instruments) measured at fair value through profit and loss comprising considerable investments in a small number of listed and unlisted companies. Accordingly, Rocket's results and position is dependent on how well these companies develop. The concentration of the shareholdings results in a risk that it is more difficult for Rocket to make major changes in the composition of the shareholdings during a limited time. Rocket's strategy is to participate actively in the companies in which it invests. By being an active owner, the risks can be controlled and return can be maximized. Rocket's strategy is also to be a long-term shareholder. Therefore, there is no strategy for managing short-term fluctuations in share prices. On December 31, 2014, 1% of Rocket's total assets were listed equity instruments and 7% were unlisted equity instruments. The share price risk associated with Rocket's shareholdings measured at fair value through profit and loss may be illustrated by stating that a 10% change in the prices of these shareholdings at December 31, 2014 would have affected the Group's earnings and shareholders' equity by EUR 33,665 thousand.

Book value of financial assets accounted at fair value through profit or loss

Trade name	Company name	Type of holding	Registered office	Capital/ votes Dec 31, 2014	Capital/ votes Dec 31, 2013	Fair Value Dec 31, 2014	Fair Value Dec 31, 2013
Non-current securities at FVTPL - listed							
Zalando	Zalando SE	Other investment	Germany	0.8%	n/a	50,884	n/a
Care.com	Care.com Inc.	Other investment	USA	2.1%	n/a	4,568	n/a
Other companies						132	n/a
Associated companies at FVTPL - not listed							
Jimdo	Jimdo GmbH	Associated company	Germany	25.9%	n/a	20,903	n/a
Trusted Shops	Trusted Shops GmbH	Associated company	Germany	25.0%	n/a	10,000	n/a
getAbstract	getAbstract AG	Associated company	Switzerland	22.0%	n/a	9,438	n/a
TravelTrex	TravelTrex GmbH	Associated company	Germany	25.0%	n/a	7,500	n/a
MarleySpoon	MarleySpoon GmbH	Associated company	Germany	40.7%	n/a	6,268	n/a
LeadX	LeadX Holdings Limited	Associated company	Great Britain	30.0%	n/a	3,365	n/a
Ulmon	Ulmon GmbH	Associated company	Austria	25.5%	n/a	1,201	n/a
Motortalk	Motortalk GmbH	Associated company	Germany	32.0%	n/a	1,002	n/a
Other companies				n/a	n/a	2,679	n/a
Non-current securities at FVTPL - not listed							
Wonga	Wonga Group Limited	Other investment	Great Britain	1.0%	1.0%	6,265	5,542
Care.com	Care.com Inc.	Other investment	USA	n/a	3.3%	n/a	18,911
Other investments at FVTPL – not listed							
Goodgame Studios	Altigi GmbH	Other investment	Germany	15.0%	n/a	101,739	n/a
Yemek Sepeti	Yemek Sepeti A.S.	Other investment	Turkey	11.4%	n/a	40,259	n/a
TravelBird	Travelbird Nederland B.V.	Other investment	Netherlands	16.4%	n/a	15,555	n/a
Media Math	Media Math LLC	Other investment	USA	1.9%	n/a	7,713	n/a
Borro Limited	Borro Limited	Other investment	Great Britain	5.5%	n/a	7,000	n/a
SocietyOne	SocietyOne Holdings Pty Ltd.	Other investment	Australia	10.7%	n/a	6,048	n/a
DaWanda	DaWanda GmbH	Other investment	Germany	8.4%	n/a	3,800	n/a
Mimeo.com	Mimeo.com Inc.	Other investment	USA	2.0%	n/a	2,839	n/a
21DIAMONDS	21DIAMONDS GmbH	Other investment	Germany	16.6%	15.9%	2,674	2,674
MeinAuto GmbH	MeinAuto GmbH	Other investment	Germany	12.6%	n/a	1,820	n/a
Reputation Defender	Reputation Defender Inc.	Other investment	USA	1.4%	n/a	1,723	n/a
Zalando	Zalando SE	Other investment	Germany	n/a	0.9%	n/a	35,471
Other companies				n/a	n/a	21,171	3,482
Total						**336,547**	**66,078**

Details of material associated companies measured at fair value

The following material investments in associated companies are measured at fair value. There are no significant restrictions on the ability of the associated companies to transfer funds to Rocket in the form of cash dividends or to repay loans or advances made by Rocket. For information on dividends from associated companies, refer Note 20. The following table summarizes the financial information of material associated companies as included in the companies' own financial statements. All of the material associated companies prepare financial information in accordance with local GAAP:

Summarized balance sheets (in thousands):

Company	Jimdo	Trusted Shops	Get Abstract	Travel Trex	Marley Spoon	LeadX	Ulmon	Motor-talk
Reporting date	**31/12/14**	**31/12/14**	**31/12/14**	**31/05/14**	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**
Currency	**EUR**	**EUR**	**CHF**	**EUR**	**EUR**	**GBP**	**EUR**	**EUR**
Current assets	4,188	12,776	11,364	2,372	4,141	11,463	464	1832
Non-current assets	4,234	989	3,391	1,986	114	198	31	725
Current liabilities	7,306	7,513	513	1,365	154	7,244	186	0
Non-current liabilities	233	0	8,379	1,147	0	0	0	2,168
Net assets	**883**	**6,252**	**5,863**	**1,846**	**4,101**	**4,417**	**309**	**389**

Summarized income statements (in thousands):

Company	Jimdo	Trusted Shops	Get Abstract	Travel Trex	Marley Spoon	LeadX	Ulmon	Motor-talk
Reporting date	**31/12/14**	**31/12/14**	**31/12/14**	**31/05/14**	**31/12/14**	**31/12/14**	**31/12/14**	**31/12/14**
Currency	**EUR**	**EUR**	**CHF**	**EUR**	**EUR**	**GBP**	**EUR**	**EUR**
Revenue	17,629	16,952	21,751	33,727	18	40,515	290	4,996
Profit or loss	694	648	522	621	−1,424	4,982	−650	−590
Total comprehensive income	694	648	522	621	−1,424	4,982	−650	−590

43 Balances and Transactions with Related Parties

Related parties are shareholders with significant influence on the Rocket Group, associated companies, non-consolidated subsidiaries and individuals that exercise significant influence on the Group's financial and business policy. Persons who exercise significant influence on the Group's financial and business policy comprise all individuals in key positions and their close family members. Within Rocket Group, this relates to the parent company's managing directors or, following the change in legal form into an AG, the members of the Management Board and the Supervisory Board.

Shareholders with significant influence

Trade Names	Company Names	Significant influence period
Global Founders	Global Founders GmbH, Munich (formerly: European Founders Fund GmbH	Jan 1, 2013 - Dec 31, 2014
Kinnevik	Investment AB Kinnevik, Stockholm (via subsidiary Emesco AB, Stockholm)	Jan 1, 2013 - Sep 1, 2014

Transactions with shareholders with significant influence

Zalando spin-off (acquisition of treasury shares)

On July 8, 2013, Rocket made a contribution of its 34,440 shares in Zalando SE to its wholly-owned subsidiary Rocket Beteiligungs GmbH. Immediately upon receipt of the shares in Zalando SE on July 8, 2013, Rocket Beteiligungs sold and transferred these shares in Zalando to Global Founders GmbH and Emesco AB in accordance with their proportional shareholdings in Rocket. Simultaneously, Global Founders GmbH and Emesco AB sold and transferred initially 43,050 shares in the Rocket Internet SE to Rocket Beteiligungs GmbH. This consideration was subsequently reduced to 38,597 shares in Rocket due to a purchase price adjustment mechanism. The mutual purchase price claims arising out of both transactions were set off against each other. On August 19, 2014, Rocket Beteiligungs GmbH was merged into Rocket, which thereby acquired 38,597 treasury shares that were subsequently cancelled. For further information to the impact on financial statements reference is made to Note 20.

Dividend in 2013

On August 23, 2013 and September 16, 2013, the shareholders approved an advance cash dividend of EUR 80,574 thousand. The cash payment served the primary purposes of passing on profits from the sale of shares in Zalando SE.

Dividend in 2014

On May 30, 2014, the shareholders approved an advance dividend in kind to certain shareholders. Consequently, Rocket transferred by way of a separate share transfer agreement 4,145 and 1,892 shares in Bigfoot GmbH to Emesco AB and AI European Holdings S.à r.l., respectively, as well as 4,559 and 2,082 shares in BGN Brillant Services GmbH to Emesco AB and AI European Holdings S.à r.l., respectively, as a dividend in kind. The fair value of the distributed shares amounted to EUR 153,234 thousand. In addition, a cash dividend of EUR 286,766 thousand was paid to Global Founders GmbH.

Portfolio contribution of the Global Founders Capital funds

In August 2014, United Internet Ventures AG, Montabaur, (United Internet) agreed to invest a total of EUR 435 million for a 10.7% stake in Rocket. United Internet's EUR 435 million investment consists of EUR 333 million in cash and a contribution in kind valued at EUR 102 million, which consisted of United Internet's equity participation in the Global Founders Capital Fund portfolio (GFC portfolio). As part of this transaction, the equity participation of Global Founders GmbH in GFC portfolio, valued at EUR 153 million, was also contributed into Rocket in exchange for new shares. In this context the extraordinary shareholders' meeting of Rocket held on August 22, 2014 resolved, to increase the Rocket's share capital by EUR 25,527, from EUR 159,442 to EUR 184,969 while admitting (i) United Internet to subscribe for 16,193 newly issued shares, (ii) Global Founders GmbH and Global Founders Capital Fund to subscribe for an aggregate of 8,132 newly issued shares, (iii) European Founders Fund GmbH & Co. Beteiligungs KG Nr. 2 and European Founders Fund GmbH & Co. Beteiligungs KG Nr. 3, both Munich, Germany, to subscribe for 637 and 365 newly issued shares, respectively, and (iv) MOAS GmbH & Co. KG, MOAS Nr. 2 GmbH & Co. KG and MOAS Nr. 3 GmbH & Co. KG, all Munich, Germany, to subscribe for an aggregate of 200 newly issued shares. The GFC portfolio consisted of 53 investments into internet companies held jointly by United Internet and of Global Founders GmbH. The portfolio includes minority stakes in companies such as games maker Goodgame Studios; online travel sites such as Traveloka and Travelbird; online marketplaces Yemek Sepeti and DaWanda; and financial technology companies Kreditech, Borro and SocietyOne. Rocket gains stakes in certain businesses that are well aligned with its focus sectors and geographies, such as Yemek Sepeti – a leading Turkish online food delivery marketplace, and Traveloka – a leading Indonesian travel metasearch provider.

The Group has designated those investments 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.

Consulting Agreement with Global Founders GmbH

In 2014 Rocket purchased services from Global Founders GmbH of EUR 70 thousands (previous year EUR 179 thousands). These transactions were based on a consulting agreement between Global Founders GmbH and Rocket. Some of the payments under this agreement relate to reimbursements for consulting services and travel costs charged to Global Founders GmbH by Marc and Alexander Samwer under separate agreements between Global Founders GmbH and Marc Samwer and Alexander Samwer, respectively. These agreements were terminated in 2014. The charges are included in other operating expenses. As of December 31, 2014 and 2013 and January 1, 2013, the outstanding balances payable were EUR 0 thousand, EUR 32 thousand and EUR 17 thousand respectively.

Transactions with associated companies, non-consolidated subsidiaries

Parties are considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. For purposes of this policy, a related party is any executive officer, director (or nominee for director), including any of their immediate family members and any entity owned or controlled by such persons.

The transactions in 2014 and 2013 and outstanding balances for services with associates under significant influence of the Group as follows:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Sales to associates	31,867	23,262	n/a
Contribution of subsidiaries to associates	18,248	0	n/a
Purchases from associates	−8,360	−2,091	n/a
Interest income from associates	175	7	
Interest expense from associates	−225	−52	
Amounts owed by associates:			
Trade receivables	12,097	2,255	11,094
Other financial receivables (current)	7,857	15,019	11,799
Amounts owed to associates			
Trade payables	1,650	583	308
Other financial liabilities (current)	6,310	16,461	12,792

The transactions in 2014 and 2013 and outstanding balances for services with non-consolidated subsidiaries controlled by Rocket are as follows:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Sales to non-consolidated subsidiaries	486	263	n/a
Purchases from non-consolidated subsidiaries	−747	0	n/a
Amounts owed by non-consolidated subsidiaries:			
Trade receivables	671	814	2,142
Other financial receivables (current)	1,991	3,201	6,392
Amounts owed to non-consolidated subsidiaries:			
Trade payables	142	643	359
Other financial liabilities (current)	517	809	3,489

Receivables and payables are unsecured and payable in cash. Other financial payables and liabilities relate to short-term loans.

Key management compensation

Management Board

After the conversion into a stock corporation in July 2014, the following members were elected into the Management Board:

Name	Position held
Oliver Samwer	Chief Executive Officer
Peter Kimpel	Chief Financial Officer
Alexander Kudlich	Group Managing Director

Until the conversion into a stock corporation in July 2014, the Company´s management comprised of the following members:

Name	Position held
Arnt Jeschke	Managing Director, Finance
Alexander Kudlich	Managing Director, Business Development
Dr. Johannes Bruder	Managing Director, Marketing and Products
Jan Wilmking	Managing Director, Project Management (Mar 1, 2013 – Sep 27, 2013)

As part of their remuneration, managing directors were granted options of Rocket Internet SE and shares in subsidiaries at the nominal amount of EUR 1 under equity-settled share-based payment plans described in more detail in Note 40. The compensation paid or payable to key management for employee services is shown below:

	2014	2013
	In thousands of EUR	
Short-term benefits	1,134	586
Share-based payments	16,370	145
Total	**17,504**	**731**

Supervisory Board

As per December 31, 2014, the Supervisory Board of Rocket Internet SE is composed of the following members:

Name	Function	Position	Member since
Lorenzo Grabau	Chairman	CEO of Investment AB Kinnevik	June 23, 2014
Prof. Dr. Marcus Englert	Vice-chairman	Former Supervisory Board member and Chief New Media Officer of ProSiebenSat.1, Associate Partner of Solon Management Consulting	August 22, 2014
Prof. Dr. h.c. Roland Berger		Founder and former CEO of Roland Berger Strategy Consultants	August 22, 2014
Ralph Dommermuth		CEO of United Internet AG	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 Schinar		Vice President and Head of Technology Investments at Clal Industries Ltd	August 22, 2014
Dr. Erhard Schipporeit		Management Consultant, former CFO of E.ON AG	August 22, 2014
Philip Yea		Supervisory Board member of bwin.party digital entertainment plc, former CEO of 3i Group plc	August 22, 2014

The former members of the Supervisory Board during the financial year 2014:

Name	Function	Position	Since / until
Jörg Mohaupt	Vice-chairman	Director Technology, Media and Telecommunication (TMT) at Access Industries	June 23, 2014 / August 22, 2014
Uwe Gleitz		Senior Vice President Investments at Rocket Internet SE	June 23, 2014 / August 22, 2014
Christian von Hardenberg		Technical Director at Rocket Internet SE	June 23, 2014 / August 22, 2014
Dr. Franziska Leonhardt		Director Legal Affairs at Rocket Internet SE	June 23, 2014 / August 22, 2014

Remuneration of the Supervisory Board of the parent company for performing its functions at the parent company and the subsidiaries amounted to EUR 95 thousand (short-term benefits only). No loans or advances were granted to the members of the Supervisory Board.

44 Contingent Liabilities and other Contractual Obligations

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Rental guarantee in favor of an associated company	0	304	304
Total contingent liabilities	**0**	**304**	**304**

The Company reports other contractual obligations for the following items:

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Capital contribution and investment obligations	41,140	0	0
Rental and lease agreements	3,070	5,420	6,035
Purchase commitments	10	75	75
Other	9	92	0
Total contractual obligations	**44,229**	**5,587**	**6,110**

Capital contribution and investment obligations result from participation agreements concluded prior to the balance sheet date. As of December 31, 2014, they mainly relate to capital increases of Lazada Group GmbH, Home24 GmbH, Helpling Group Holding S.à r.l. as well as the acquisition of non-controlling interest stakes in the fully consolidated subsidiary Jade 1317. GmbH, Berlin. Jade 1317. GmbH holds shares in Westwing Group GmbH as an intermediate holding. The stake in Westwing Group GmbH held by Rocket directly or indirectly changed to 34% in January 2015.

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

	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	In thousands of EUR		
Not later than 1 year	2,018	2,496	1,990
Later than 1 year and not later than 5 years	1,052	2,924	4,046
Later than 5 years	0	0	0
Total operating lease commitments	**3,070**	**5,420**	**6,035**
Lease payments during the period	5,432	5,036	n/a

The leasing arrangements include warehouse and office rent and also rental of IT equipment.

As of December 31, 2014, total future sublease payments receivable under the Company's operating subleases amount to EUR 896 thousand (previous year EUR 413 thousand).

Order commitments were all payable within one year.

45 Auditor's Fees

Total fees charged for the financial year by the Group's auditor (Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft) amount to EUR 2.7 million (previous year EUR 1.1 million) and comprise EUR 0.7 million (previous year EUR 1.1 million) for audit services, EUR 1.9 million for other audit-related services and EUR 0.1 million for other services.

46 Events after the Reporting Period

On February 6, 2015, Rocket participated in a financing round of HelloFresh GmbH with the amount of EUR 100.0 million. As a result of this transaction, Rocket obtained, in combination with the previous acquisition of shares from a co-investor in December 2014, a majority share of 51.7% (before dilution due to management participations) in HelloFresh that does not provide control over HelloFresh GmbH.

On February 6, 2015, Rocket announced the establishment of the Global Online Takeaway Group. Global Online Takeaway Group is comprised of the newly acquired shares in Delivery Hero (total purchase price EUR 496.0 million), La Nevera Roja and Pizzabo. Due to a limitation of shareholder rights Rocket cannot exercise significant influence on Delivery Hero. Thus, Delivery Hero is accounted for as a financial instrument classified at available for sale. For La Nevera Roja and Pizzabo see further disclosures under Note 10.

On February 11, 2015, Rocket has signed a purchase agreement to take over 100% of Talabat, a leading provider of online and mobile food delivery services in the Middle East. The purchase price amounts to approximately EUR 150 million. On March 11, 2015 in form of a contribution in kind the Talabat shares were contributed to Delivery Hero.

On February 13, 2015, the subscribed capital of Rocket Internet SE was increased from EUR 153,130,566 to EUR 165,140,790 in partial utilization of the authorized capital and in exclusion of the subscription rights of shareholders. The 12,010,224 new ordinary bearer shares with no-par value have been sold to institutional investors in a private placement transaction. The shares have been issued at a price of EUR 49.00 per share. Rocket received proceeds from this issue of shares in the amount of EUR 588.5 million (before deduction of fees and costs).

On March 5, 2015, Rocket signed long-term rental agreements for a new headquarter location in Berlin. The minimum rental payments amount to a total of EUR 74.9 million. The rental payments are due in the years 2016 through 2031. The office space will be used by Rocket itself as well as being sub-leased to network companies.

On March 11, 2015, Rocket augmented its share in Delivery Hero to about 39% by contribution in kind of the Talabat shares that were acquired in February and the acquisition of Delivery Hero shares from existing investors (purchase price: EUR 52 million).

On March 11, 2015, Rocket announced its participation in a financing round of foodpanda in the amount of EUR 37 million.

On March 18, 2015, the conversion of Rocket into a European Company (SE) was completed. The European legal form of the parent company underlines the international market orientation of the Company and going forward will support the Group's internationalization strategy.

On July 1, 2015 Rocket announced that it is participating in a EUR 150 million internal financing round in Global Fashion Group. Rocket Group will invest its pro rata share of the financing round amounting to EUR 37 million and has undertaken to guarantee an additional part of the financing round amounting to a maximum commitment of EUR 49 million. Furthermore, Rocket Group agreed to contribute the two fully consolidated subsidiaries Kanui and Tricae (Brazilian online fashion businesses from Latin America Internet Group) in a share for share transaction.

On July 14, 2015 Rocket announced the placement of convertible bonds with an aggregate principal amount of EUR 550 million. The bonds are initially convertible into approximately 11.57 million new and/or existing ordinary bearer shares of the Company, representing approximately 7.01% of the current share capital of Rocket. The bonds were issued at 100% of their principal amount, have a 7-year maturity and carry a coupon of 3.00% per annum payable semi-annually in arrears. Bondholders may elect to convert their bonds for shares.

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

47 Authorization of the Financial Statements for Issue

The Management Board authorized the issue of the consolidated financial statements on September 29, 2015.

Berlin, September 29, 2015

The Management Board

Oliver Samwer Peter Kimpel Alexander Kudlich

Independent Auditors' Report

To Rocket Internet SE

We have audited the accompanying consolidated financial statements of Rocket Internet SE, Berlin, and its subsidiaries, which comprise the consolidated balance sheet as at December 31, 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements.

Managements' Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Rocket Internet SE and its subsidiaries as at December 31, 2014, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Berlin, September 29, 2015

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Klug
Wirtschaftsprüfer
(German Public Auditor)

Beckers
Wirtschaftsprüfer
(German Public Auditor)

Rocket Internet AG[1)]
(formerly Rocket Internet GmbH)

Audited Consolidated Financial Statements
as of and for the year ended December 31, 2013
(prepared in accordance with German GAAP)

1) now Rocket Internet SE

Rocket Internet AG, Berlin (formerly Rocket Internet GmbH)

Consolidated balance sheet as of 31 December 2013

		1 January 2013
	EUR k	**EUR k**
Assets		
A. Fixed assets		
I. Intangible assets		
1. Purchased industrial and similar rights	543	248
2. Goodwill	670	0
	1,213	248
II. Property, plant and equipment		
1. Tenant improvements	59	12
2. Plant and machinery	540	393
3. Other equipment, operating and business equipment	1,725	1,452
4. Prepayments	104	4
	2,428	1,861
III. Financial assets		
1. Shares in affiliated companies	2,160	1,993
2. Equity investments in associates	361,106	416,854
3. Securities held as fixed assets	8,316	6,720
4. Other participations	18,907	4,996
5. Other loans	36	0
	390,525	430,564
	394,166	432,673
B. Current assets		
I. Inventories		
1. Raw materials, consumables and supplies	21	10
2. Work in process	245	842
3. Merchandise	7,887	4,608
4. Prepayments	380	224
	8,535	5,684
II. Receivables and other assets		
1. Trade receivables	2,673	1,081
2. Receivables from affiliated companies	5,914	7,395
3. Receivables from associates	22,594	26,795
4. Receivables from companies in which a participation is held	25	99
5. Other assets	5,265	1,754
	36,471	37,124
III. Cash in hand, bank balances and checks	437,422	187,024
	482,427	229,831
C. Prepaid expenses	505	623
D. Deferred tax assets	321	653
	877,419	663,781

		1 January 2013
	EUR k	EUR k
Equity and liabilities		
A. Equity capital		
I. Subscribed capital	110	103
./. Treasury shares	−43	0
	67	103
II. Capital reserves	462,196	289,034
III. Revenue reserves		
Other revenue reserves	208,896	328,489
IV. Accumulated other comprehensive income	−659	−342
V. Unappropriated retained earnings	84,438	−23,384
VI. Minority interests	18,026	28,559
	772,965	622,460
B. Negative consolidation difference	86	0
C. Provisions		
1. Tax provisions	12,086	2,934
2. Other provisions	25,108	5,469
	37,194	8,403
D. Liabilities		
1. Liabilities to banks	23	17
2. Prepayments received on account of orders	538	76
3. Trade payables	20,249	9,777
4. Liabilities to shareholders	14,497	17
5. Liabilities to affiliated companies	953	2,167
6. Liabilities to associates	22,420	13,520
7. Other liabilities	8,163	7,220
thereof for taxes: EUR k 4,087 (PY: EUR k 3,166)		
thereof for social security: EUR k 207 (PY: EUR k 97)		
	66,844	32,793
E. Deferred income	329	125
F. Deferred tax liabilities	1	0
	877,419	663,781

Rocket Internet AG, Berlin (formerly Rocket Internet GmbH)

Consolidated income statement for the fiscal year 2013

		EUR k
1.	Sales revenues	72,513
2.	Decrease in the work in process inventory	− 515
3.	Other operating income	65,876
	thereof income from currency translation EUR k 18	
		137,874
4.	Cost of materials	
	a) Cost of raw materials, consumables and supplies and of purchased merchandise	− 27,712
	b) Cost of purchased services	− 8,564
5.	Personnel expenses	
	a) Wages and salaries	− 44,485
	b) Social security and other pension costs	− 6,955
	thereof retirement benefits EUR k − 1,093	
6.	Amortization/depreciation of intangible assets and of property, plant and equipment	− 1,098
7.	Other operating expenses	− 61,785
	thereof expenses from currency translation EUR k − 233	
		− 150,599
8.	Income from participations	12
9.	Income from associated companies	199,898
10.	Other interest and similar income	654
	thereof from affiliated companies EUR k 69	
11.	Write-downs of financial assets	− 433
12.	Interest and similar expenses	− 430
	thereof from affiliated companies EUR k − 85	
		199,700
13.	Result from ordinary activities	186,975
14.	Income taxes	− 12,294
	thereof change in deferred taxes EUR k − 333	
15.	Other taxes	− 497
		− 12,791
16.	Consolidated net income for the year	174,185
17.	Loss carried forward from previous year	− 23,384
18.	Advance dividend pay-outs	− 80,574
19.	Loss attributable to minority interests	14,211
20.	Unappropriated retained earnings	84,438

Rocket Internet AG, Berlin (formerly Rocket Internet GmbH)

Consolidated statement of cash flow for the fiscal year 2013

		EUR k
1.	**Cash flow from operating activities**	
	Consolidated net income (including minority interests in profit and loss)	174,185
+/–	Amortization, depreciation and write-downs / write-ups of fixed assets	1,532
+/–	Increase / decrease in provisions	28,791
–/+	Income from associated companies	−199,898
+/–	Other non-cash expenses / income	3,557
–/+	Gain / loss on disposals of fixed assets	−63,286
–/+	Increase / decrease in inventories, trade receivables and other assets	2,827
+/–	Increase / decrease in trade payables and other liabilities	13,387
=	Cash flow from operating activities	−38,904
2.	**Cash flow from investing activities**	
+	Cash received from disposals of property, plant and equipment	107
–	Cash paid for investments in property, plant and equipment	−1,700
–	Cash paid for investments in intangible assets	−737
+	Cash received from disposals of fixed financial assets	194,770
–	Cash paid for investments in fixed financial assets	−11,050
–	Cash paid for the acquisition of consolidated companies and other business units	−781
+	Cash received in connection with short-term financial management of cash investments	12,425
–	Cash paid in connection with short-term financial management of cash investments	−20,557
=	Cash flow from investing activities	172,477
3.	**Cash flow from financing activities**	
+	Proceeds from issuance of shares to the equity holders of the parent	159,857
+	Proceeds from minority interests	16,672
–	Dividends paid to equity holders of the parent (advance dividends)	−80,574
+	Cash received from loans	22,651
–	Repayments of loans	−1,782
=	Cash flow from financing activities	116,824
4.	**Cash and cash equivalents at the end of the period**	
	Change in cash and cash equivalents (subtotal of 1 to 3)	250,397
	Changes in cash and cash equivalents due to exchange rates, changes in the basis of consolidation and valuation	1
	Cash and cash equivalents at the beginning of the period	187,024
	Cash and cash equivalents at the end of the period	437,422

Rocket Internet AG, Berlin (formerly Rocket Internet GmbH)

Consolidated statement of changes in equity for the fiscal year 2013

	Parent company						Minority interests			
				Accumulated other comprehensive income						
	Subscribed capital	Capital reserves	Consolidated equity earned	Currency translation/ exchange differences	Other items	Equity as reported in consolidated balance sheet	Minority interests	Accumulated other comprehensive/ income Currency translation/ exchange differences	Equity	Consolidated equity
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
01.01.2013	**103**	**289.034**	**305.105**	**−178**	**−164**	**593.901**	**28.596**	**−37**	**28.559**	**622.460**
Proceeds from issuance of shares to the equity holders of the parent	6	159.851	—	—	—	159.857	—	—	—	159.857
Proceeds from minority interests	—	13.312	—	—	—	13.312	3.360	—	3.360	16.672
Purchase of treasury shares	−43	—	−119.593	—	—	−119.636	—	—	—	−119.636
Dividends paid to equity holders of the parent (advance dividend pay-outs)	—	—	−80.574	—	—	−80.574	—	—	—	−80.574
Changes in the basis of consolidation	—	—	—	—	—	—	224	—	224	224
Changes of equity of associates recognised directly in equity	—	—	—	—	−867	−867	—	—	—	−867
Currency translation	—	—	—	550	—	550	—	356	356	905
Other changes	—	—	—	—	—	—	−261	—	−261	−261
	−37	173.162	−200.167	550	−867	−27.358	3.323	356	3.678	−23.680
Consolidated net income	—	—	188.396	—	—	188.396	−14.211	—	−14.211	174.185
31.12.2013	**67**	**462.196**	**293.334**	**372**	**−1.031**	**754.938**	**17.708**	**319**	**18.026**	**772.965**

Notes to the Consolidated Financial Statements for Financial Year 2013

Rocket Internet AG

Contents

General Information

The presented consolidated financial statements were prepared in accordance with German commercial law provisions (Section 290 et seqq. HGB) applicable to non-listed companies.

Rocket Internet AG, Berlin, (formerly Rocket Internet GmbH), hereinafter referred to as “Rocket Internet”, “parent company”, or “Rocket Group” prepares the consolidated financial statements for financial year 2013 for the first time. Previously, the parent company was exempt from the duty to prepare consolidated accounts due to size-related exemptions pursuant to Section 293 HGB. The consolidated balance sheet includes the prior-year figures as of the initial consolidation date at the beginning of the Group’s financial year, January 1, 2013. The Company did not disclose the prior-year figures in the consolidated income statement and in the consolidated cash flow statement.

The consolidated income statement was prepared using the nature of expense method.

In order to improve the transparency of presentation, we aggregated individual items of the consolidated balance sheet and the consolidated income statement, and classified and explained them separately in these notes to the financial statements. For the same reason, information on items that are affiliated to other items and “thereof-items” is also presented in this context. Unless otherwise indicated, all values are rounded up or down to the nearest thousand (T€) in accordance with a commercial rounding approach, which may result in rounding differences of +/– one unit.

Accounting for associated companies using the equity method was based on the respective annual financial statements unless consolidated financial statements were available. Additional disclosures pursuant to Section 297 (2) Sentence 3 HGB were provided under Item (2).

Basis of consolidation

In addition to Rocket Internet, the consolidated group also comprises 114 other fully consolidated companies. The consolidated group has developed as follows:

	Germany	Other countries	Total
Included in consolidation as of January 1, 2013	61	27	88
Additions in the 2013 financial year	8	20	28
Disposals in the 2013 financial year	0	1	1
Included in consolidation as of December 31, 2013	69	46	115

Addition to the consolidated group in financial year 2013:

Name	Registered head office	Addition as a result of
Asia Internet Holding S.à r.l.	Luxembourg	Foundation
Azmalo S.à r.l.	Luxembourg	Foundation
Bambino 50. V V UG (with limited liability) & Co. Sechste Verwaltungs KG,	Berlin	Acquisition
Subgroup with the following subsidiary:		
Ecart Services Pakistan (PVT.) Ltd.	Islamabad	Acquisition
Car Classified Asia S.à r.l.	Luxembourg	Foundation
Classifieds Asia S.à r.l.	Luxembourg	Foundation
Easy Taxi (Thailand) Co. Ltd.	Bangkok	Foundation
Easy Taxi Colombia SAS,	Bogota	Foundation
ECommerce Holding I S.à r.l.	Luxembourg	Foundation
ECommerce Holding II S.à r.l.	Luxembourg	Foundation
ECommerce Holding III S.à r.l.	Luxembourg	Foundation
ECommerce Taxi Middle East S.à r.l.	Luxembourg	Foundation
ECommerce Taxi Asia S.à r.l.	Luxembourg	Foundation
Jade 1085. GmbH & Co. 44. Verwaltungs KG	Berlin	Acquisition
Juwel 161. V V UG (with limited liability) & Co. Achte Verwaltungs KG (formerly:Juwel 190. V V UG (with limited liability) & Co. Dreizehnte Verwaltungs KG),	Berlin	Acquisition
Subgroup with the following subsidiary:		
Easy Taxi Serviços S.A.	São Paulo	Acquisition

Name	Registered head office	Addition as a result of
Juwel 190. V V UG (with limited liability) & Co. Zweite Verwaltungs KG,	Berlin	Acquisition
Subgroup with the following subsidiary:		
Inversiones Hellofood S de RL de CV	Mexico City	Acquisition
Juwel 190. V V UG (with limited liability) & Co Zwölfte Verwaltungs KG,	Berlin	Acquisition
Subgroup with the following subsidiary:		
Hellofood Intermediacao de Negocios Ltda.	São Paulo	Acquisition
Juwel 190. V V UG (with limited liability) & Co. 15. Verwaltungs KG,	Berlin	Acquisition
Subgroup with the following subsidiary:		
Bus Serviços de Agendamento Ltda.	São Paulo	Acquisition
Lamudi Middle East S.à r.l. (ex: Classifieds Middle East Sarl):	Luxembourg	Foundation
Lendico Deutschland GmbH	Berlin	Foundation
Lendico Holding S.C.Sp. S.à r.l.	Luxembourg	Foundation
Medios de Clasificados S de RL de CV	Mexico City	Foundation
Middle East Internet Holding S.à r.l.	Luxembourg	Foundation
Rocket Beteiligungs GmbH.	Berlin	Foundation

Upon initial consolidation of acquisitions during 2013, the assets, liabilities, prepaid and deferred items included in the consolidated financial statements were remeasured or restated, respectively, within the context of the purchase price allocation.

Disposals (deconsolidation) in the 2013 financial year:

The liquidation of Yepdoc Serviços de Agendamento Ltda., São Paulo, was completed in November 2013.

In accordance with Section 296 (2) HGB, affiliated companies with immaterial business activities are not included in the consolidated financial statements. CityDeal Management I GmbH, Berlin was not included in the consolidated financial statements, in accordance with Section 296 (1) No. 1 HGB, as most of the risks and opportunities associated with this special purpose company, which was established for fiduciary asset management purposes, are borne by trustors outside the Group. The assets managed by CityDeal Management I GmbH are mainly financially attributable to the trustors in accordance with Section 298 (1) HGB in conjunction with 246 Section (1) 2 HGB.

27 domestic and two foreign associated companies are accounted for using the equity method.

The consolidated group and the information on shareholdings are stated under Item (1).

Accounting and Valuation Methods

The consolidated financial statements were prepared in accordance with the following accounting and valuation methods.

The financial statements of companies included in the consolidated accounts were prepared using **uniform accounting and valuation principles**.

The annual financial statements of domestic and foreign **associated companies** were aligned to the Group's uniform accounting methods. We applied the book value method when accounting for significant equity investments in associated companies using the equity method.

Acquired **intangible assets** classified as fixed assets are stated at acquisition costs and, if subject to wear and tear, are reported less scheduled amortization in accordance with the respective items' useful lives (useful life of between 3 to 10 years, using the straight-line method). Internally generated intangible assets classified under fixed assets are not capitalized in accordance with the relevant recognition option. Goodwill from the initial consolidation of shares is amortized straight-line over a period of five years.

Property, plant and equipment items are stated at acquisition costs and reduced by scheduled depreciation to the extent depreciable. The respective items are depreciated in accordance with their expected useful lives of between 3 to 13 years, using the straight line method. Additions to property, plant and equipment are depreciated on a prorated basis. Low value assets with an individual net value of up to € 150 are fully written down in the year of acquisition.

Shares and securities reported under **financial assets** are stated at acquisition costs or lower fair values. The item "**equity investments in associated companies**" presented in the "additions" column of the consolidated statement of changes in fixed assets includes the acquisition costs of the acquired shares as well as the equity capital changes, which correspond to share in the equity of the respective associated company owned by Rocket Group. The "disposals" column reflects prorated net losses for the year, earnings effects from ancillary accounts, dividend distributions and the shares sold. Changes in the allocable, prorated equity capital that are not based on capital contributions of the Rocket Group and that arise from capital-raising measures conducted at associated companies are accounted for in the equity value and reported in profit/loss. Non-scheduled write-downs are presented in the "additions" column of the consolidated statement of changes in fixed assets under accumulated amortization/depreciation.

Inventories are stated at the lower of cost or market.

The inventories of **raw materials and supplies** are capitalized at average cost prices or the lower daily prices as of the balance sheet date.

Work in process is stated at manufacturing costs on the basis of individual cost calculations. The manufacturing costs include the minimum components as prescribed under Section 255 (2) HGB and mainly relate to personnel expenses. In all cases, valuation was at net realizable value, i.e., the cost to complete was deducted from the expected sales prices.

Merchandise is recognized at acquisition costs or the lower market prices.

Adequate allowances provide for all identifiable **inventory** valuation risks resulting from slow-moving stock, reduced usability and lower replacement costs. Adequate provisions are recognized for losses resulting from supply and purchase commitments.

Receivables and other assets are generally stated at nominal values net of valuation allowances where required to be reported. Individual value adjustments are recorded if valuation adjustments are required.

Cash is stated at nominal values.

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

Subscribed capital is reported at nominal value.

Tax provisions and **other provisions** account for all contingent liabilities. The provisions are stated at the settlement amount required in accordance with sound business judgment (i.e. including future price and cost). Provisions with residual terms of more than one year are discounted (if material effect) applying the interest rate published by Deutsche Bundesbank (German Federal Reserve Bank).

Liabilities were stated at the respective settlement amounts.

Deferred income includes payments received that represent income for a specified period after the balance sheet date.

To determine **deferred taxes** arising due to temporary or timing (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, these differences are valued using the company-specific tax rates at the time they reverse; the amounts of any resulting tax charge and benefit are not discounted. Differences due to consolidation procedures in accordance with Sections 300 to 307 HGB are taken into account; differences arising on the first-time recognition of goodwill or a negative consolidation difference are not included. Where tax loss carry forwards acquired in connection with the acquisition of subsidiaries are expected to be offset within the next five years, the option of recognizing deferred tax assets with no effect on net income until the end of the adjustment period as defined by Sec. 301 (2) Clause 2 HGB in the process of purchase price allocation was exercised. Deferred tax assets and liabilities are offset. The option pursuant to Section 274 (1) Clause 2 HGB to recognize net deferred tax assets in excess of deferred tax liabilities was not exercised.

Currency Translation

As a general rule, foreign currency transactions are stated at the historical rate applicable at the time of initial recognition.

Non-current foreign currency receivables are stated using the currency selling rate applicable at the date of origin of the receivable or the lower fair value, using the spot exchange middle rate as of the reporting date (principle of imparity). Short-term foreign currency receivables (with a remaining term of one year or less) and liquid assets or other short-term foreign currency assets are translated using the spot exchange middle rate applicable on the balance sheet date.

Asset and liability items reported in annual financial statements prepared in foreign currencies were translated into euros at the spot exchange middle rate applicable as at the balance sheet date, with the exception of equity capital (subscribed capital, reserves, profit/loss carried forward at historical rates). The items stated in the income statement are translated into euros using average rates. The resulting translation difference is disclosed in consolidated equity within "Accumulated other comprehensive income" under the item "Currency translation/ exchange differences".

The item "Equity capital difference from currency translation" is reversed through profit/loss upon the disposal of subsidiaries.

Consolidation Principles

The capital of companies acquired before January 1, 2013 was consolidated at the date of initial inclusion in the consolidated financial statements as of January 1, 2013 using the acquisition method.

The capital of companies that were included in consolidation for the first time following their acquisition/ foundation after January 1, 2013, was consolidated when the respective company became a subsidiary, using the acquisition method.

The Company made use of the consolidation option (non-inclusion of subsidiaries in the consolidated financial statements) provided for under Section 296 (1) Clause 1 HGB if agreements between the shareholders result in ongoing restrictions respecting the exercising of Rocket Internet's management rights. These companies were reported at equity in accordance with the provisions stipulated for associated companies.

For the purpose of capital consolidation, the value stated for the shares attributable to the parent company are netted with the amount of the subsidiary's equity capital allocable to these shares. The equity capital is stated at the amount that corresponds to the fair value of the assets, liabilities, accrued and deferred items and special items to be included in the consolidated financial statements at the consolidation date. Any asset side difference remaining after netting is reported as goodwill and any remaining debit side difference is reported under the item "Difference from capital consolidation" after equity capital. The difference is reversed in the income statement if the unfavorable development of the Company's future results of operations expected at the time of initial consolidation has materialized, or it is certain at the balance sheet date that the difference corresponds to a realized profit.

As a general rule, the date relevant for determining the present value of assets, liabilities, accrued and deferred items and special items to be included in the consolidated financial statements as well as the relevant capital consolidation date is the date when the respective company qualifies as a subsidiary.

Changes in the percentage of shares held in subsidiaries that continue to be fully consolidated are stated as transactions between shareholders of the Group with neutral effect on profit or loss.

Receivables and liabilities, sales, expenses and income as well as intercompany results within the consolidated group were eliminated.

Associated companies were measured on the basis of the respective company's most recent annual financial statements insofar as no consolidated financial statements of the associated company were available at the time of preparation. If consolidated financial statements of the associated company were available, they served as the basis for measurement.

Intercompany profits and losses from trade with associates were not eliminated due to immateriality.

Notes to the Consolidated Balance Sheet

Assets

(1) Fixed assets / shareholdings

The development of fixed assets, including amortization, depreciation and write-downs for the financial year is presented in the consolidated statement of changes in fixed assets.

Write-downs in the amount of T€ 9,085 mainly concern associated companies in the amount of T€ 8,552 (stated as income from associated companies) and write-downs of shares in affiliated companies outside the scope of consolidation in the amount of T€ 433 (stated as write-downs of financial assets).

Capital consolidation of the newly acquired shares in Easy Taxi Serviços S.A. led to a difference in the amount of T€ 867 that was capitalized as goodwill. Goodwill is straight-line amortized over a useful life of five years. The customer base in the amount of T€ 111 capitalized from the acquisition of the subsidiary, Hellofood Intermediacao de Negocios Ltda., is amortized over a useful life of four years. The Company did not report any disposals of goodwill in the 2013 financial year as a result of deconsolidation measures.

Insignificant subsidiaries not included in consolidation are reported under the balance sheet item "Shares in affiliated companies". The balance sheet items "Securities held as fixed assets" and other "Other participations" include shares in companies with participation quotas of less than 20%.

Consolidated Group and shareholdings

No.	Company	Registered office	Share as a %	via-No.
1	Rocket Internet AG (parent company)	Berlin	—	—
	Fully consolidated subsidiaries			
	Germany			
2	Ads Myanmar UG (with limited liability) & Co. KG	Berlin	100%	9, 11
3	Africa Internet Holding GmbH	Berlin	80.0%	1
4	AIH Subholding No. 10 UG (with limited liability) & Co. KG	Berlin	100%	3, 11
5	AIH Subholding No. 11 UG (with limited liability) & Co. KG	Berlin	97.6%	3, 11
6	AIH Subholding No. 12 UG (with limited liability) & Co. KG	Berlin	99.5%	3, 11
7	AIH Subholding No. 8 UG (with limited liability) & Co. KG	Berlin	99.6%	3, 11
8	Bambino 106. V V UG (with limited liability)	Berlin	100%	1
9	Bambino 108. V V UG (with limited liability)	Berlin	100%	1
10	Bambino 50. V V UG (with limited liability) & Co. Sechste Verwaltungs KG	Berlin	100%	72, 11
11	Bambino 53. V V UG (with limited liability)	Berlin	100%	1
12	Blanko 7. GmbH & Co. KG	Berlin	99.9%	26, 11
13	Bonnyprints GmbH (formerly: Ecards and more GmbH)	Berlin	63.5%	1
14	Brillant 1390. GmbH & Co. Verw. KG	Berlin	99.8%	33, 11
15	Clickbus Germany GmbH (formerly: Bambino 85. V V UG (with limited liability))	Berlin	100%	18
16	CityDeal Management II UG	Berlin	100%	1
17	House Myanmar UG (with limited liability) & Co. KG	Berlin	100%	9, 11
18	International Rocket GmbH & Co. KG	Berlin	100%	1
19	Jade 1085. GmbH	Berlin	100%	1
20	Jade 1085. GmbH & Co. 44. Verwaltungs KG	Berlin	100%	18, 11
21	Jade 1085. GmbH & Co. Fünfzehnte Verwaltungs KG	Berlin	100%	18, 11
22	Jade 1085. GmbH & Co. Zweite Verwaltungs KG	Berlin	100%	18, 11
23	Jade 1159. GmbH	Berlin	68.3%	61, 11
24	Jade 1217. GmbH	Berlin	89.0%	1, 11
25	Jade 1218. GmbH	Berlin	72.6%	61, 11
26	Jade 1221. GmbH	Berlin	71.1%	61, 11
27	Jade 1238. GmbH	Berlin	73.8%	1, 11
28	Jade 1265. GmbH	Berlin	91.2%	1, 11
29	Jade 1317. GmbH	Berlin	92.0%	1
30	Jade 1318. GmbH	Berlin	63.0%	1, 11
31	Jade 1344. GmbH & Co. Verw. KG	Berlin	87.5%	32, 11
32	Jade 1353. GmbH	Berlin	86.5%	61, 11
33	Jade 1366. GmbH	Berlin	87.1%	61, 11
34	Jade 940. GmbH	Berlin	100%	1
35	Juwel 131. UG (with limited liability) & Co. Erste Verwaltungs KG	Berlin	100%	8, 11
36	Juwel 161. V V UG (with limited liability) & Co. Vierte Verwaltungs KG (formerly: Juwel 190. V V UG (with limited liability) & Co. Achte Verwaltungs KG)	Berlin	99.7%	57, 11
37	Juwel 190. V V UG (with limited liability) & Co. 18. Verwaltungs KG	Berlin	100%	59, 11
38	Juwel 161. V V UG (with limited liability) & Co. Achte Verwaltungs KG (formerly:Juwel 190. V V UG (with limited liability) & Co. Dreizehnte Verwaltungs KG)	Berlin	100%	57, 11

No.	Company	Registered office	Share as a %	via-No.
39	Juwel 190. V V UG (with limited liability) & Co. Dritte Verw. KG	Berlin	100%	60, 11
40	Juwel 161. V V UG (with limited liability) & Co. Erste Verwaltungs KG (formerly: Juwel 190. V V UG (with limited liability) & Co. Erste Verwaltungs KG)	Berlin	100%	57, 11
41	Juwel 190. V V UG (with limited liability) & Co. Fünfte Verw. KG	Berlin	100%	60, 11
42	Juwel 190. V V UG (with limited liability) & Co. 15. Verwaltungs KG	Berlin	100%	58, 11
43	Juwel 190. V V UG (with limited liability) & Co. 9. Verwaltungs KG	Berlin	99.7%	57, 11
44	Juwel 190. V V UG (with limited liability) & Co. 19. Verwaltungs KG	Berlin	100%	60, 11
45	Juwel 161. V V UG (with limited liability) & Co. Dritte Verwaltungs KG (formerly: Juwel 190. V V UG (with limited liability) & Co. Siebte Verwaltungs KG)	Berlin	99.6%	57, 11
46	Juwel 190. V V UG (with limited liability) & Co. 17. Verwaltungs KG	Berlin	100%	59, 11
47	Juwel 190. V V UG (with limited liability) & Co. Verwaltungs KG	Berlin	100%	61
48	Juwel 190. V V UG (with limited liability) & Co. Vierte Verwaltungs KG	Berlin	100%	60, 11
49	Juwel 190. V V UG (with limited liability) & Co. 10. Verwaltungs KG	Berlin	99.3%	57, 11
50	Juwel 190. V V UG (with limited liability) & Co. Zweite Verwaltungs KG	Berlin	100%	60, 11
51	Juwel 190. V V UG (with limited liability) & Co Zwölfte Verwaltungs KG	Berlin	100%	60, 11
52	Juwel 193. V V UG (with limited liability) & Co. Erste Verwaltungs KG	Berlin	100%	7, 11
53	Juwel 193. V V UG (with limited liability) & Co. Dritte Verwaltungs KG	Berlin	98.5%	5, 11
54	Juwel 200. V V UG (with limited liability) & Co. 4. Verwaltungs KG	Berlin	100%	28, 11
55	Lendico Deutschland GmbH	Berlin	100%	97
56	Lendico Global Service GmbH	Berlin	100%	97
57	LIH Subholding No. 1 UG (with limited liability) & Co. KG	Berlin	89.6%	61, 11
58	LIH Subholding No. 2 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
59	LIH Subholding No. 4 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
60	LIH Subholding No. 5 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
61	MKC Brillant Services GmbH	Berlin	80.0%	1
62	Motors Myanmar UG (with limited liability) & Co. KG	Berlin	100%	9, 11
63	Pricepanda Group GmbH	Berlin	82.8%	1, 11
64	R 2 International Internet GmbH	Berlin	59.2%	1
65	Rocket Asia GmbH & Co. KG	Berlin	100%	18
66	Rocket Beteiligungs GmbH	Berlin	100%	1
67	VRB GmbH & Co. B-195 KG	Berlin	100%	23, 11
68	VRB GmbH & Co. B-196 KG	Berlin	97.7%	25, 11
69	Work Myanmar UG (with limited liability) & Co. KG	Berlin	100	9, 11
	Other countries			
70	Airu Produtos Criativos Ltda. (formerly: Airu Comercio Varejista Ltda.)	São Paulo	100%	12
71	Asia Internet Holding S.à r.l.	Luxembourg	100%	1
72	Azmalo S.à r.l.	Luxembourg	80.0%	1, 11
73	Bus Serviços de Agendamento Ltda.	São Paulo	100%	71
74	Car Classifieds Asia S.à r.l.	Luxembourg	80.0%	71, 11

No.	Company	Registered office	Share as a %	via-No.
75	Classifieds Asia S.à r.l.	Luxembourg	80.0%	71, 11
76	Easy Taxi (Thailand) Co. Ltd.	Bangkok	100%	21
77	Easy Taxi Colombia SAS	Bogota	100%	45
78	Easy Taxi Peru SAC	Lima	100%	36
79	Easy Taxi Serviços S.A.	São Paulo	94.7%	36
80	Ecart Services Pakistan (PVT.) Ltd.	Islamabad	100%	10
81	ECommerce Holding I S.à r.l.	Luxembourg	90.9%	1, 11
82	ECommerce Holding II S.à r.l.	Luxembourg	100%	1, 11
83	ECommerce Holding III S.à r.l.	Luxembourg	100%	1
84	ECommerce Taxi Asia S.à r.l.	Luxembourg	80.0%	47, 11
85	ECommerce Taxi Middle East S.à r.l.	Luxembourg	74.6%	82, 11
86	Foodpanda S.A.S	Bogota	100%	45
87	Hellofood Intermediacao de Negocios Ltda.	São Paulo	100%	18
88	Internet Services Netherlands B.V.	Amsterdam	100%	18
89	Internet Services Poland sp zoo	Warsaw	100%	18
90	Inversiones Easytaxi Chile Ltda (formerly: Inversiones Tucany Chile Ltda.)	Santiago de Chile	100%	51
91	Inversiones Hellofood Peru S.A.C.	Lima	100%	39
92	Inversiones Hellofood S de RL de CV	Mexico City	100%	67
93	Inversiones Pidiendo Chile Ltda	Santiago de Chile	100%	82
94	Inversiones Tucany C.A.	Caracas	100%	43
95	Kanui Comercio Varejista Ltda.	São Paulo	100%	67
96	Lamudi Middle East S.à r.l. (formerly: Classifieds Middle East S.à r.l.)	Luxembourg	100%	100
97	Lendico Holding S.C.Sp.	Luxembourg	90.7%	82, 11
98	Medio de Clasificados SAS	Bogota	100%	39
99	Medios de Clasificados, S. de R.L. de C.V.	Mexico City	100%	39
100	Middle East Internet Holding S.à r.l.	Luxembourg	100%	1
101	MKC Brazil Serviços de Adminstracao Ltda.	São Paulo	100%	39
102	Moonshine eServices Private Limited	Gurgaon (IND)	100%	35
103	Rocket Brasil Novos Negocios e Participacoes Ltda.	São Paulo	100%	18
104	Rocket eServices Ltd. (UK)	London	100%	18
105	Rocket eServices Private Limited (India)	New Delhi	100%	18
106	Rocket Internet Malaysia Sdn. Bhd.	Kuala Lumpur	100%	18
107	Rocket Internet PTE. Ltd. (Singapore)	Singapore	100%	18
108	Rocket Russia o.o.o.	Moscow	100%	18
109	R-SC Internet Services Egypt	Cairo	100%	18
110	R-SC Internet Services Hong Kong Ltd.	Hong Kong	100%	18
111	R-SC Internet Services Korea Ltd.	Seoul	100%	42
112	Servicios de Taxi en Linea S. DE R.L. DE C.V.	Mexico City	100%	18
113	Silveroak Internet Services Portugal, Unipessoal Ltda.	Lisbon	100%	18
114	Tricae Comercio Varejista Ltda.	São Paulo	100%	68
115	Zocprint Serviços Graficos Ltda.	São Paulo	100%	31
	Other subsidiaries[1)]			
	Germany			
116	AIH Subholding No. 1 UG (with limited liability) & Co. KG	Berlin	100%	3, 11
117	AIH Subholding No. 13 UG (with limited liability) & Co. KG	Berlin	100%	3, 11
118	AIH Subholding No. 14 UG (with limited liability) & Co. KG	Berlin	100%	3, 11
119	AIH Subholding No. 15 UG (with limited liability) & Co. KG	Berlin	99.6%	3, 11
120	AIH Subholding No. 16 UG (with limited liability) & Co. KG	Berlin	100%	3, 11
121	AIH Subholding No. 17 UG (with limited liability) & Co. KG	Berlin	100%	3, 11

No.	Company	Registered office	Share as a %	via-No.
122	AIH Subholding No. 2 UG (with limited liability) & Co. KG . . .	Berlin	100%	3, 11
123	AIH Subholding No. 3 UG (with limited liability) & Co. KG . . .	Berlin	100%	3, 11
124	AIH Subholding No. 4 UG (with limited liability) & Co. KG . . .	Berlin	100%	3, 11
125	AIH Subholding No. 5 UG (with limited liability) & Co. KG . . .	Berlin	100%	3, 11
126	AIH Subholding No. 6 UG (with limited liability) & Co. KG . . .	Berlin	100%	3, 11
127	AIH Subholding No. 7 UG (with limited liability) & Co. KG . . .	Berlin	100%	3, 10
128	AIH Subholding No. 9 UG (with limited liability) & Co. KG . . .	Berlin	100%	3, 11
129	Bambino 107. V V UG (with limited liability)	Berlin	100%	1
130	Bambino 109. V V UG (with limited liability)	Berlin	100%	1
131	Bambino 110. V V UG (with limited liability)	Berlin	100%	1
132	Bambino 50. V V UG (with limited liability)	Berlin	100%	1
133	Bambino 52. V V UG (with limited liability)	Berlin	100%	1
134	Bambino 54. V V UG (with limited liability)	Berlin	100%	1
135	Bambino 55. V V UG (with limited liability)	Berlin	100%	1
136	Bambino 61. V V UG (with limited liability)	Berlin	100%	18
137	Bambino 79. V V UG (with limited liability)	Berlin	100%	18
138	Bambino 80. V V UG (with limited liability)	Berlin	100%	18
139	Bambino 81. V V UG (with limited liability)	Berlin	100%	18
140	Bambino 82. V V UG (with limited liability)	Berlin	100%	18
141	Bambino 83. V V UG (with limited liability)	Berlin	100%	18
142	Bambino 84. V V UG (with limited liability)	Berlin	100%	18
143	Bambino 91. V V UG (with limited liability)	Berlin	100%	18
144	Carmudi GmbH (formerly: Brillant 1253. GmbH)	Berlin	100%	71
145	Brillant 1259. GmbH	Berlin	100%	1
146	Brillant 1390. GmbH	Berlin	100%	33
147	Brillant 1422. GmbH	Berlin	100%	1
148	Brillant 1423. GmbH	Berlin	100%	1
149	CD-Rocket Holding UG (with limited liability)	Berlin	100%	1
150	CityDeal Management UG (with limited liability)	Berlin	100%	1
151	Jade 1085. GmbH & Co. 42 Verwaltungs KG	Berlin	100%	18, 11
152	Jade 1085. GmbH & Co. Achte Verwaltungs KG	Berlin	100%	18, 11
153	Jade 1085. GmbH & Co. Achtzehnte Verwaltungs KG	Berlin	100%	18, 11
154	Jade 1085. GmbH & Co. Dreiundzwanzigste Verwaltungs KG	Berlin	100%	18, 11
155	Jade 1085. GmbH & Co. Erste Verwaltungs KG	Berlin	100%	18, 11
156	Jade 1085. GmbH & Co. Fünfundzwanzigste Verwaltungs KG	Berlin	100%	18, 11
157	Jade 1085. GmbH & Co. Neunundzwanzigste Verwaltungs KG	Berlin	100%	18, 11
158	Jade 1085. GmbH & Co. Sechste Verw. KG	Berlin	100%	18, 11
159	Jade 1085. GmbH & Co. Siebenundzwanzigste Verwaltungs KG	Berlin	100%	18, 11
160	Jade 1085. GmbH & Co. Vierundzwanzigste Verwaltungs KG	Berlin	100%	18, 11
161	Jade 1085. GmbH & Co. Vierzigste Verwaltungs KG	Berlin	100%	18, 11
162	Jade 1085. GmbH & Co. Zwanzigste Verwaltungs KG	Berlin	100%	18, 11
163	Jade 1085. GmbH & Co. Zweiundzwanzigste Verwaltungs KG	Berlin	100%	18, 11
164	Jade 1085. GmbH & Co. Zwölfte Verwaltungs KG	Berlin	100%	18, 11
165	Jade 1154. GmbH	Berlin	100%	172
166	Jade 1183. GmbH	Berlin	100%	1
167	Jade 1231. GmbH	Berlin	100%	1
168	Jade 1232. GmbH	Berlin	100%	1
169	Jade 1234. GmbH	Berlin	100%	1
170	Jade 1236. GmbH	Berlin	100%	1
171	Jade 1237. GmbH	Berlin	100%	1
172	Jade 1240. GmbH	Berlin	100%	1
173	Jade 1241. GmbH	Berlin	100%	1

No.	Company	Registered office	Share as a %	via-No.
174	Jade 1242. GmbH	Berlin	100%	1
175	Jade 1246. GmbH	Berlin	79.7%	1
176	Jade 1247. GmbH	Berlin	100%	1
177	Jade 1279. GmbH	Berlin	100%	1
178	Jade 1319. GmbH	Berlin	99.4%	1
179	Jade 1356. GmbH	Berlin	100%	1
180	Jade 1368. GmbH	Berlin	100%	1
181	Jade 1369 GmbH & Co. Erste Verwaltungs KG (formerly: Jade 1365. GmbH & Co. Fünfte Verwaltungs KG)	Berlin	100%	63, 11
182	Jade 1369. GmbH	Berlin	100%	63
183	Jade 1371. GmbH	Berlin	100%	1
184	Jade 1372. GmbH	Berlin	100%	1
185	Jade 1373. GmbH	Berlin	100%	1
186	Jade 1374. GmbH	Berlin	100%	1
187	Jade 1375. GmbH	Berlin	100%	1
188	Jade 1410. GmbH	Berlin	100%	23
189	Jade 1411. GmbH	Berlin	100%	25
190	Jade 1413. GmbH	Berlin	100%	26
191	Juwel 131. V V UG (with limited liability)	Berlin	100%	8
192	Juwel 150. V V UG (with limited liability)	Berlin	100%	9
193	Juwel 154. V V UG (with limited liability)	Berlin	100%	196
194	Juwel 155. V V UG (with limited liability)	Berlin	100%	1
195	Juwel 156. V V UG (with limited liability)	Berlin	100%	1
196	Juwel 157. V V UG (with limited liability)	Berlin	100%	130
197	Juwel 161. V V UG (with limited liability)	Berlin	100%	1
198	Juwel 167. V V UG (with limited liability)	Berlin	100%	1
199	Juwel 169. V V UG (with limited liability)	Berlin	100%	1
200	Juwel 182. V V UG (with limited liability)	Berlin	100%	1
201	Juwel 185. V V UG (with limited liability)	Berlin	100%	1
202	Juwel 190. V V UG (with limited liability)	Berlin	100%	61
203	Juwel 190. VV UG & Co. 21. Verwaltungs KG	Berlin	100%	7, 212
204	Juwel 190. V V UG (with limited liability) & Co. 34. Verwaltungs KG	Berlin	100%	216, 11
205	Juwel 190. V V UG (with limited liability) & Co. 35. Verwaltungs KG	Berlin	100%	216, 11
206	Juwel 193. V V UG (with limited liability)	Berlin	100%	3
207	Juwel 193. V V UG (with limited liability) & Co. 20. Verwaltungs KG	Berlin	100%	7, 11
208	Juwel 202. V V UG	Berlin	100%	33
209	Lendico Connect GmbH (formerly: Brillant 1762. GmbH)	Berlin	100%	56
210	LIH Subholding No. 10 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
211	LIH Subholding No. 11 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
212	LIH Subholding No. 3 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
213	LIH Subholding No. 6 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
214	LIH Subholding No. 7 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
215	LIH Subholding No. 8 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
216	LIH Subholding No. 9 UG (with limited liability) & Co. KG	Berlin	100%	61, 11
217	Motors Cambodia UG (with limited liability) & Co. KG	Berlin	100%	129, 11
218	Platin 775. GmbH	Berlin	100%	1
219	Platin 776. GmbH	Berlin	100%	1
220	Platin 777. GmbH	Berlin	100%	1
221	Rocket AT GmbH	Berlin	100%	18
222	Rocket China GmbH & Co. KG	Berlin	100%	18
223	Rocket Internet Munich GmbH	Berlin	100%	1
224	Rocket Latin America GmbH & Co. KG	Berlin	100%	18
225	Rocket Middle East GmbH	Berlin	100%	1
226	Rocket Russia II KG (formerly: VRB B-105)	Berlin	100%	18

No.	Company	Registered office	Share as a %	via-No.
227	Tekcor 2. V V UG (with limited liability)	Berlin	100%	18
228	VRB GmbH & Co. B-101 (Einhunderteins) KG	Berlin	100%	1
229	VRB GmbH & Co. B-118 (Einhundertachtzehn) KG	Berlin	100%	24, 11
230	VRB GmbH & Co. B-147 KG	Berlin	100%	18
231	VRB GmbH & Co. B-153 KG	Berlin	100%	18
232	VRB GmbH & Co. B-154 KG	Berlin	100%	18
233	VRB GmbH & Co. B-155 KG	Berlin	100%	18
234	VRB GmbH & CO. B-169 KG	Berlin	100%	18
235	VRB GmbH & Co. B-179 KG	Berlin	99.1%	63, 11
236	VRB GmbH & Co. B-186 KG	Berlin	99.1%	63, 11
237	VRB GmbH & Co. B-187 KG	Berlin	99.1%	63, 11
238	VRB GmbH & Co. B-188 KG	Berlin	99.1%	63, 11
239	VRB GmbH & Co. B-189 KG	Berlin	99.1%	63, 11
	Other countries			64
240	CIS Internet Holding (GP) S.à r.l.	Luxembourg	100%	1
241	Classifieds (GP) S.à r.l.	Luxembourg	100%	72
242	Classifieds Asia Extra S.à r.l.	Luxembourg	100%	72
243	Clickbus Czech s.r.o (formerly: Rocket s.r.o.)	Prague	100%	18
244	Clickbus Poland sp. z o.o. (formerly: RSC Internet Services Poland sp. z o.o.)	Warsaw	100%	141
245	Digital Services Holding I S.à r.l.	Luxembourg	100%	1
246	Digital Services Holding III S.à r.l.	Luxembourg	100%	1
247	Easy Taxi Service Philippines, Inc.	Makati City	100%	18
248	ECommerce Holding IV S.à r.l.	Luxembourg	100%	1
249	Ecommerce Pay Holding S.à r.l.	Luxembourg	100%	1
250	ECV Price (Malaysia) SDN BHD	Petaling Jaya	100%	239
251	GG Fun Ltd.	Birkirkara (M)	100%	244
252	GP Management Ltd.	Birkirkara (M)	99.9%	1
253	International Rocket Company Ltd.	Road Town (VG)	100%	18
254	International Rocket Corporate Ltd.	Road Town (VG)	100%	18
255	International Rocket Group Ltd.	Road Town (VG)	100%	18
256	International Rocket Hellas EPE	Road Town (VG)	100%	18
257	International Rocket Holding Ltd.	Road Town (VG)	100%	18
258	International Rocket Ventures Ltd.	Road Town (VG)	100%	18
259	Internet Bes Hizmet Teknolojileri Limited Sirketi	Istanbul	100%	165, 11
260	Inversiones Bazaya C.A (Venezuela)	Caracas	100%	18
261	Lendico Denmark S.C.Sp.	Luxembourg	100%	97
262	Lendico France S.C.Sp.	Luxembourg	100%	97
263	Lendico Italy S.C.Sp.	Luxembourg	100%	97
264	Lendico Netherlands S.C.Sp.	Luxembourg	100%	97
265	Lendico Norway S.C.Sp.	Luxembourg	100%	97
266	Lendico Poland S.C.Sp.	Luxembourg	100%	97
267	Lendico Russia S.C.Sp.	Luxembourg	100%	97
268	Lendico Shelf S.C.Sp.	Luxembourg	100%	97
269	Lendico Spain S.C.Sp.	Luxembourg	100%	97
270	Lendico Sweden S.C.Sp.	Luxembourg	100%	97
271	Lendico Turkey S.C.Sp.	Luxembourg	100%	97

No.	Company	Registered office	Share as a %	via-No.	
272	Place Mniej sp. z o.o.	Warsaw	87.5%	64	
273	Real Estate Classifieds Asia Extra S.à r.l.	Luxembourg	100%	72	
274	Rocket Bulgaria EOOD	Sofia	100%	18	
275	Rocket Denmark ApS.	Copenhagen	100%	18	
276	Rocket International S.R.L. Argentina	Buenos Aires	100%	18	
277	Rocket Internet Australia Pty Ltd.	Victoria	100%	18	
278	Rocket Internet Chile Ltda.	Santiago	100%	18	
279	Rocket Internet Italy S.r.l.	Milan	100%	18	
280	Rocket Internet Japan K.K.	Tokyo	100%	18	
281	Rocket Internet Scandinavia AB	Sundsvall (S)	100%	18	
282	Rocket Internet South Africa (Proprietary)	Pretoria	100%	18	
283	Rocket Internet SRL	Bucharest	100%	18	
284	Rocket Korea Ltd.	Seoul	100%	18	
285	Rocket Serbia d.o.o. Beograd	Beograd	100%	18	
286	Rocket Slovakia s.r.o.	Bratislava	100%	18	
287	Rocket US Inc.	Delaware	100%	18	
288	R-SC Diamond eServices (Thailand) Co. Ltd	Bangkok	100%	18	
289	R-SC Internet Services Canada Inc.	Vancouver	100%	18	
290	R-SC Internet Services Chile Ltda.	Santiago	100%	18	
291	R-SC Internet Services Colombia SAS	Bogota	100%	18	
292	R-SC Internet Services Finland OY	Helsinki	100%	18	
293	R-SC Internet Services France SAS	Paris	100%	18	
294	R-SC Internet Services Luxembourg S.à. r.l.	Luxembourg	100%	18	
295	RSC Internet Services Malaysia Sdn. Bhd	Kuala Lumpur	100%	18	
296	R-SC Internet Services Nigeria Ltd.	Lagos	100%	18	
297	R-SC Internet Services Norway AS	Oslo	100%	18	
298	R-SC Internet Services South Africa (PTY) Ltd	Pretoria	100%	18	
299	R-SC Internet Services Spain, S.L.U.	Madrid	100%	18	
300	RSC Internet Services Switzerland GmbH	Zurich	100%	18	
301	R-SC Internet Services Taiwan Co. Ltd	Taiwan	100%	18	
302	R-SC Internet Services Ukraine LLC	Kiev	100%	18	
303	R-SC Vietnam Company Ltd.	Hanoi	100%	18	
304	RTE Internet Services Switzerland GmbH (formerly: Wimdu Switzerland GmbH)	Zurich	100%	18	
305	Shop Bangladesh Ltd.	Bangladesh	100%	18	
306	Wimdu Israel Ltd.	Tel Aviv	100%	18	
307	Wimdu Italy S.r.l.	Milan	100%	18	
308	Wimdu Netherlands B. V.	Amsterdam	100%	18	
309	Wimdu Poland sp. z o.o. (now: Lendico Poland sp. z o.o.)	Warsaw	100%	18	
310	Zencap Global S.à r.l. (formerly: Digital Services Holding II S.à r.l.)	Luxembourg	100%	1	
	Associated companies included in consolidation using the equity method				
	Germany				
311	Affinitas GmbH	Berlin	21.9%	1	
312	Affinitas Phantom Share GmbH	Berlin	34.4%	1	3)
313	Africa eCommerce Holding	Berlin	51.5%	3	2), 4)
314	Beauty Trend Holding GmbH	Berlin	59.8%	1, 11	2)
315	BGN Brillant Services GmbH	Berlin	41.4%	1, 11	4)
316	Bigfoot GmbH	Berlin	33.3%	1	
317	Classmarkets GmbH	Berlin	52.8%	1	2)
318	Comparamor GmbH i.l.)	Berlin	44.7%	1	2) 5)
319	Cuponation Group GmbH (formerly: Dropgifts GmbH)	Munich	50.6%	1, 11	2)
320	Emerging Markets Asia eCommerce Holding GmbH	Berlin	89.0%	1, 11	2)
321	Goodbeans GmbH	Berlin	34.0%	1	

No.	Company	Registered office	Share as a %	via-No.	
322	Hello Fresh GmbH	Berlin	36.0%	1, 11	
323	Home24 GmbH	Berlin	46.8%	1, 11	
324	Jade 1158. GmbH	Berlin	68.2%	1	2)
325	Jade 1223. GmbH	Berlin	73.9%	1, 11	2)
326	Mondstein 284. GmbH	Munich	29.8%	1	
327	Netzoptiker GmbH	Limburg a.d.L.	42.8%	1	
328	Payleven Holding GmbH	Berlin	57.7%	1, 11	2)
329	Paymill Holding GmbH	Berlin	63.8%	1	2)
330	Plinga GmbH	Berlin	34.5%	1, 64	
331	PTH Brillant Services GmbH	Berlin	80.0%	1, 11	2)
332	TIN Brillant Services GmbH	Berlin	53.5%	1	2), 4)
333	Toptarif Internet GmbH	Berlin	21.4%	1	
334	Upside Shopping GmbH	Berlin	47.6%	1	5)
335	Webpotentials GmbH	Berlin	45.2%	1	
336	Westwing Group GmbH (formerly: Jade 1290. GmbH)	Berlin	33.4%	1, 29	
337	Wimdu GmbH	Berlin	52.5%	1	2)
	Other countries				
338	Emerging Markets Online Food Delivery Holding S.à r.l.	Luxembourg	60.7%	1, 11	2), 4)
339	Enuygun Com Internet Bilgi Hizmetleri Teknoloji ve Ticaret AS	Istanbul	48.8%	64	3)

1) In accordance with Section 296 (2) not fully consolidated due to minor importance (excluding additional ca. 130 dormant companies).
2) No controlling influence due to contractual design or legal framework.
3) Non-application of at equity accounting due to minor importance.
4) The company's consolidated financial statements as of December 31, 2013 were not available at the time of preparation.
5) in liquidation.

(2) Approximation of accumulated losses

In accordance with Section 312 (6) sentence 1 HGB the associates listed below were considered in the consolidated financial statements of Rocket Internet based on the stand-alone financial statements. These stand-alone financial statements do not include losses incurred in subsidiaries of those associates. Therefore, the following table shows the proportionate share of the net cash outflows of the subsidiaries to indicate an approximation of the accumulated losses.

	cumulative since foundation until Dec. 31, 2013 in € million	cumulative since foundation until Dec. 31, 2012 in € million	In financial year 2013
Africa eCommerce Holding GmbH	21	7	14
BGN Brillant Services GmbH	78	59	19
TIN Brillant Services GmbH	70	37	33
Total	169	103	66

The proportionate share of the net cash outflows are determined as the difference between the available cash from the shareholders' contributions until December 31, 2013 and 2012, respectively, and the cash balances as of these dates. In our view the amounts calculated in such way are an appropriate approximation of the accumulated losses. The calculation was based on the shares of Rocket Internet in the associates at both year-ends.

(3) Receivables and other assets

As in the previous year, all receivables and other assets are due within one year, except for other assets in the amount of T€ 342 (PY: T€ 6), which have a residual term of more than one year.

Receivables from affiliated companies in the amount of T€ 5,914 (PY: T€ 7,395) include trade receivables of T€ 1,284 (PY: T€ 1,421) and loan receivables in the amount of T€ 4,630 (PY: T€ 5,974).

Receivables from associates in the amount of T€ 22,594 (PY: T€ 26,795) include trade receivables of T€ 3,591 (PY: T€ 14,565) and loan receivables in the amount of T€ 19,158 (PY: T€ 12,326).

Other assets in the amount of T€ 5,265 (PY: T€ 1,754) mainly include tax refund claims of T€ 3,154 (PY: T€ 1,237).

(4) Deferred tax assets

Deferred tax assets result from the elimination of intercompany profits and losses concerning inventories and from elimination of intercompany receivables and liabilities.

A surplus of deferred taxes, if any, resulting from differences in the annual financial statements of consolidated companies is not capitalized in accordance with the relevant recognition option.

Equity and Liabilities

(5) Equity capital

The Company's subscribed capital amounted to € 103,386 as of January 1, 2013. Based on a resolution passed at the shareholders' meeting on August 8, 2013, the Company's nominal capital was increased by € 6,414 to € 109,800.

The shareholders of Rocket Internet are Global Founders GmbH (formerly European FoundersFund GmbH), Emesco AB and AI European Holdings S.à r.l. As of December 31, 2013, the fully consolidated company, Rocket Beteiligungs GmbH, held own shares in Rocket Internet at the nominal value of € 43,050 (39% of total capital).

After the balance sheet date the Company's nominal capital was increased by € 546.00 to € 110,364.00 on the basis of a resolution passed at the shareholders' meeting on February 4, 2014.

The subscribed capital amounting to T€ 110 (before open deduction of own shares (treasury stock)) corresponds to the balance sheet item reported in the annual financial statements of the parent company. Capital reserves of T€ 462,197 include the capital reserves of T€ 370,543 stated in the annual accounts of the parent company as well as the capital contributed by minority shareholders in the amount of T€ 91,654, which is to be allocated to the shareholders of the parent company.

Retained earnings include the parent company's revenue reserves as well as the balance sheet results of the affiliated companies included in consolidation. In addition, the equity capital comprises amounts from the netting of other consolidation measures.

(6) Negative consolidation difference

Capital consolidation of the newly acquired shares in Bambino 50. V V UG (with limited liability) & Co. Sechste Verwaltungs KG led to a liability-side difference in the amount of T€ 86. The difference is reversed in the income statement if the company's earnings develop as unfavorably as expected at the time when the shares were acquired.

(7) Deferred tax liabilities

Deferred taxes are determined using the tax rates that are expected to apply at the assumed realization date based on the legal provisions at that time in the individual countries. German companies are subject to a corporation tax rate of 15%. Taking into account a 5.5% solidarity surcharge and the trade tax payable on profits generated in Germany, the total tax rate is 30%. The tax rates applicable outside of Germany range between 11% and 31%. An amount of T€ 1 deferred tax liabilities result from temporary differences.

(8) Other provisions

Other provisions in the amount of T€ 25,108 (PY: T€ 5,469) include T€ 19,160 attributable to call options not exercised and compensation agreements. In addition, the provisions were largely recorded to account for supplier invoices outstanding, holidays not taken, special bonuses and returns.

(9) Liabilities

In T€	December 31, 2013				January 1, 2013	
	Residual term		Secured by collateral	Total	Residual term of up to 1 year	Total
Type of liability	up to 1 year	more than 5 year				
1. Liabilities to banks	23	0	0	23	17	17
2. Prepayments received on account of orders	538	0	0	538	76	76
3. Trade payables	20,249	0	0	20,249	9,777	9,777
4. Liabilities to shareholders	14,497	0	0	14,497	17	17
5. Liabilities to affiliated companies	953	0	0	953	2,167	2,167
6. Liabilities to associated companies	22,420	0	0	22,420	13,520	13,520
7. Other liabilities	7,505	658	0	8,163	7,220	7,220

Liabilities to shareholders concern other liabilities in the amount of T€ 14,465 (PY: T€ 0) and trade payables of T€ 32 (PY: T€ 17).

Liabilities to associates mainly relate to loans received (T€ 20,999; PY: T€ 12,931) and trade payables (T€ 1,421; PY: T€ 585).

Liabilities to affiliated companies outside the scope of consolidation largely comprise trade payables in the amount of T€ 607 (PY: T€ 203) and the remaining amount relates to loans of T€ 293 (PY: T€ 1,964).

Notes to the Consolidated Income Statement

(10) Sales revenues

	2013 in T€	%
Sales revenues by segment		
eCommerce	44,908	62
Marketplaces	1,427	2
Other services	26,178	36
Total	72,513	100

Sales revenues generated from other services primarily concern consulting services provided for associated companies and non-consolidated affiliated companies.

Of the total consolidated sales revenues, 60% were generated in Latin America, 33% in Germany and 7% in the rest of the world.

(11) Other operating income and expenses

Other operating income includes income from the disposal of financial assets (T€ 63,873), income from deconsolidation (T€ 104), income from the true-up of written-off receivables (T€ 81) and income from the reversal of provisions (T€ 5).

Other operating expenses comprise amounts from call option obligations (T€ 11,430), the derecognition and impairment of receivables (T€ 3,638), losses from the disposal of fixed assets (T€ 44) and further off-period expenses (T€ 417).

Other Disclosures

(12) Contingencies

As of the December 31, 2013 balance sheet date, the Company reports off-balance sheet contingencies from rental guarantees totaling T€ 304 in favor of an associated company. Given the economic situation of the associated company, we consider the utilization risk of the guarantees to be low.

(13) Other financial obligations and off-balance-sheet transactions

In addition to the contingencies, the Company reports other financial obligations in the amount of T€ 5,802, of which T€ 92 concern non-consolidated affiliates. In detail, these are obligations for the following items:

	T€
Rental and lease agreements	5,635
Purchase commitments	75
Other	92
	5,802

While the Group benefits from financing advantages arising from the rental and lease arrangements (operating leasing) it must be able to meet its payment obligations at all times.

(14) Related party transactions

Related parties are shareholders with significant influence on the Rocket Group, associated companies, non-consolidated subsidiaries and individuals that exercise significant influence on the Group's financial and business policy. Persons that exercise significant influence on the Group's financial and business policy comprise all individuals in key positions and their close family members. Within the Rocket Group, this relates to the parent company's managing directors or, following the change in legal form, the members of the management board and the supervisory board. No transactions at unusual market terms were conducted with related parties in the 2013 financial year.

(15) Notes to the consolidated statement of cash flows

Payments received from equity capital additions in the amount of T€ 16,672 concern minority shareholders. No distribution pay-outs were made to minority shareholders in financial year 2013.

As in the previous year, cash and cash equivalents comprise the balance sheet items "cash on hand", "bank credit balances" and "cheques".

Significant non-cash investing and financing transactions as well as business transactions included the exchange of shares in the associated company, Billpay GmbH against shares in Wonga Limited, and the exchange of shares in Zalando SE against own shares (treasury stock) of Rocket Internet. Exercising the option under the accounting principles for exchange of assets both transactions were accounted for applying the book value method.

(16) Notes to the schedule of consolidated equity

According to German law, resolutions concerning distribution pay-outs can only be passed on the basis of the equity capital stated in Rocket Internet's annual accounts as adopted by the shareholders' meeting. The consolidated equity earned in the amount of T€ 293,334 as of December 31, 2013, is fully available for distribution to the shareholders.

(17) Management and management board

In financial year 2013, the Company's management was comprised of the following members:

Name	Position held
Arnt Jeschke	Managing Director, Finance
Alexander Kudlich	Managing Director, Business Development
Dr. Johannes Bruder	Managing Director, Marketing and Products
Jan Wilmking	Managing Director, Project Management (March 1, 2013 through September 27, 2013)

Following the Company's conversion into a stock corporation (AG) in July 2014, the following management board members were appointed:

Management board

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

(18) Total management remuneration

The remuneration paid to the parent company's management for performing its functions at the parent company and the subsidiaries amounted to T€ 586.

Management members also received a total of 359 shares in the Company's subsidiaries in financial year 2013. The value of these shares, which was determined on the basis of the intrinsic value at the time the shares were granted, amounted to T€ 0.

No advances and loans were granted to management members. There were no contingencies in favor of management members at the balance sheet date.

(19) Audit fees and consultancy fees

Total fees charged for the financial year by the Group's annual auditor (Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft) amount to € 1.1 million. The fees exclusively concern the audit of financial statements.

(20) Number of staff on an annual average

The average number of staff during the financial year was as follows:

	Number
Germany	297
Other countries	985
Total:	**1,282**

Berlin, July 28, 2014

The Management Board

Oliver Samwer Peter Kimpel Alexander Kudlich

Notes 2013 - Consolidated statement of changes in fixed assets

Rocket Internet AG

	Acquisition cost							Accumulated amortization, depreciation and write-downs						Net book values	
	1 Jan 2013	Currency change	Change in the basis of consolidation	Additions	Disposals	Reclassifications	31 Dec 2013	1 Jan 2013	Currency change	Change in the basis of consolidation	Additions	Disposals	31 Dec 2013	31 Dec 2013	1 Jan 2013
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
I. Intangible assets															
1. Purchased industrial and similar rights	248	−52	1	737	255	0	678	0	−5	1	151	11	136	543	248
2. Goodwill	0	−29	867	0	0	0	838	0	−6	0	173	0	168	670	0
	248	−81	868	737	255	0	1,516	0	−10	1	324	11	303	1,213	248
II. Property, plant and equipment															
1. Tenant improvements	12	−4	0	57	0	0	65	0	1	0	5	0	6	59	12
2. Plant and machinery	393	−84	2	619	82	0	848	0	−11	2	337	21	308	540	393
3. Other equipment, operating and business equipment	1,452	−155	0	908	67	0	2,138	0	−13	0	430	4	413	1,725	1,452
4. Prepayments	4	−13	0	115	1	0	106	0	0	0	2	0	2	104	4
	1,861	−257	2	1,700	150	0	3,156	0	−23	2	774	25	728	2,428	1,861
III. Financial assets															
1. Shares in affiliated companies	1,993	0	0	600	0	0	2,593	0	0	0	433	0	433	2,160	1,993
2 Equity investments in associates	416,854	0	0	165,192	193,398	−18,989	369,658	0	0	0	8,552	0	8,552	361,106	416,854
3. Securities held as fixed assets	6,720	0	0	147	0	1,449	8,316	0	0	0	0	0	0	8,316	6,720
4. Other participations	4,996	0	0	259	3,888	17,540	18,907	0	0	0	0	0	0	18,907	4,996
5. Other loans	0	0	0	36	0	0	36	0	0	0	0	0	0	36	0
	430,564	0	0	166,233	197,287	0	399,510	0	0	0	8,986	0	8,986	390,525	430,564
	432,673	−338	870	168,670	197,692	0	404,182	0	−33	3	10,084	37	10,017	394,166	432,673

The following audit opinion (Bestätigungsvermerk) refers to the consolidated financial statements and the group management report prepared on the basis of German commercial law (HGB) ("Handelsgesetzbuch": "German Commercial Code") of Rocket Internet AG as of and for the year ended December 31, 2013 as a whole and not solely to the consolidated financial statements presented in this prospectus on the preceding pages. The above-mentioned audit opinion (Bestätigungsvermerk) and consolidated financial statements are both translations of the respective German-language documents. The group management report is not part of this prospectus.

Audit Opinion

We have audited the consolidated financial statements prepared by Rocket Internet AG, Berlin, comprising the balance sheet, the income statement, the notes to the consolidated financial statements, the cash flow statement, and the statement of changes in equity, together with the group management report for the fiscal year from January 1, 2013 to December 31, 2013. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated 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 consolidated financial statements in accordance with (German) principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group 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 consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. 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 consolidated 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 Group in accordance with (German) principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks relating to future development.

Berlin, July 30, 2014

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Klug	Beckers
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

Rocket Internet SE

Audited Unconsolidated Annual Financial Statements as of and for the year ended December 31, 2015 (prepared in accordance with German GAAP)

Rocket Internet SE, Berlin

Balance sheet as of December 31, 2015

	EUR	EUR	December 31, 2014 EUR
Assets			
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. Shares in affiliates	1,178,916,745		57,879,682
2. Associated companies	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. Advanced 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 affiliates	72,600,325		41,266,540
3. Receivables from associated companies	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

			December 31, 2014
	EUR	EUR	EUR
Equity and Liabilities			
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	557,241,667		0
thereof convertible EUR 550,000,000.00			
2. Trade liabilities	2,787,885		16,269,247
3. Liabilities to affiliates	857,298		1,029,452
4. Liabilities to associated companies	0		184,761
5. Other liabilities	1,262,056		1,027,245
thereof for taxes EUR 565,159.36 (PY EUR 468,349.96)			
thereof for social security EUR 46,714.76 (PY EUR 18,013.00)			
		562,148,906	18,510,705
		3,456,105,277	2,313,721,413

Rocket Internet SE, Berlin

Income Statement for financial year 2015

				2014
		EUR	EUR	EUR
1.	Revenue	34,176,001		28,787,222
2.	Increase (or decrease) in work in progress	202,467		−319,657
3.	Other own work capitalized	4,039,142		1,060,885
4.	Other operating income thereof income from currency translation EUR 3,287,493 (PY EUR 90,000)	30,477,455		5,882,081
			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 thereof retirement benefits EUR 28,725 (PY EUR 34,000)	4,450,390		2,458,979
7.	Depreciation / amortization of intangible assets and property, plant and equipment	1,585,818		694,042
8.	Other operating expenses thereof expenses from currency translation EUR 55,648 (PY EUR 97,000)	45,499,158		20,936,069
			132,670,189	46,078,740
9.	Income from participations thereof from affiliated companies EUR 14,917,406 (PY EUR 0)	15,288,542		0
10.	Income from other securities	0		72,608
11.	Other interests and similar income thereof from affiliates EUR 711,360 (PY EUR 55,100)	1,046,444		242,746
12.	Write-downs of financial assets	13,997,619		937,916
13.	Interest and similar expenses	9,652,731		2,212
			−7,315,365	−624,774
14.	Result from 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)

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 their 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 before the balance sheet date but 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 has capitalized the discount 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.

In the current financial year, Rocket Internet SE accounted the equity-settled share-based compensation plans in accordance with the section 192 (2) No. 3 AktG for the first time. 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 results of operation 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 net assets, financial position and results of operation 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. If there is a residual value between the issue price and the repayment amount, it is recognized under prepaid expenses and amortised over the term of the liabilities.

Deferred taxes

In order to 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	Annual result
				(EUR thousand)	(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 (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2014	3,647	− 22
Bambino 107. V V UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	− 54	− 44
Bambino 110. V V UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	− 13	− 5
Bambino 52. V V UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	− 15	− 2
Bambino 53. V V UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2015[1]	972	352
Bambino 54. V V UG (haftungsbeschränkt), Berlin	DE	100.0	Dec 31, 2014	− 1	1
Bambino 55. V V UG (haftungsbeschränkt), 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
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

Company, location	Country	Shares (%)	Reporting Date	Equity	Annual result
				(EUR thousand)	(EUR thousand)
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
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	73.69	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	89.33	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]	442	− 15
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
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

Company, location	Country	Shares (%)	Reporting Date	Equity	Annual result
				(EUR thousand)	(EUR thousand)
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
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	Dec 31, 2014
	(EUR thousand)	(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 165,140,790.00 (previous year EUR 153,130,566.00) is 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 has been authorized, with the consent of the Supervisory Board, to increase the registered capital of the Company until August 21, 2019 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 has been authorized, with the consent of the Supervisory Board, to increase the registered capital of the Company until June 22, 2020 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, 2015, 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). Until to June, 22, 2020, the Management Board is authorized, 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, with or without a maturity periods. They are authorized to grant the creditor and/or bearer of bonds conversion or option rights regarding 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 bearer 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 against contributions in cash, while excluding the subscription rights of Rocket Internet SE's shareholders. 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 2015, expenses in the amount of EUR 48,290 thousand (previous year EUR 0 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	**Dec 31, 2014**
	(EUR thousand)	**(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 convertible bond by Rocket Internet SE on July 22, 2015, with a nominal amount of EUR 550,000 thousand as well as interest liabilities for convertible bonds of 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**	**28,787**

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 of financial assets

Permanent impairments caused write-downs of financial assets amounting to EUR 13,998 thousand (previous year EUR 938 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		386.4
Bonnyprints GmbH[1]	complete write-off		355.7
care.com, Inc.[1]	lower fair value		172.7
Total		**13,968**	**914.8**

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 (EUR 225 thousand) as well as to the belatedly invoiced services (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 for the financial year 2015 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	Additions	Disposals	Reclassifications	December 31, 2015	January 1, 2015	Additions	Disposals	Write ups	Reclassifications	December 31, 2015	December 31, 2015	December 31, 2014
	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR		EUR	EUR	EUR	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

The following audit opinion (Bestätigungsvermerk) refers to the annual financial statements as well as the combined management report for the company and the group prepared on the basis of German commercial law (HGB) ("Handelsgesetzbuch":"German Commercial Code") of Rocket Internet SE as of and for the year ended December 31, 2015 as a whole and not solely to the annual financial statements presented in this prospectus on the preceding pages. The above-mentioned audit opinion (Bestätigungsvermerk) and annual financial statements are both translations of the respective German-language documents. The combined management report for the company and the group is not part of this prospectus.

Audit Opinion

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

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Klug	Beckers
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

18. GLOSSARY

Africa.. The geographic region extending as far north as Tunisia, as far south as South Africa, as far west as Senegal, as far east as Madagascar and including Egypt.

Amortization................................ A method used to prorate the cost of an intangible asset to the asset's life. Amortization primarily refers to concessions, industrial property rights and similar rights and assets, as well as licenses in such rights and assets.

API, application programming interface... An application programming interface is a tool in computer programming, which dictates how software components interact with each other.

Asia Pacific................................... The geographic region encompassing Southeast Asia, as well as Australia, Bangladesh, Bhutan, Hong Kong, Japan, Maldives, Mongolia, Nepal, New Zealand, Pakistan, South Korea and Taiwan.

Beneficial interest......................... Direct and indirect interest in the relevant network company.

Business-to-consumer .... A commerce transaction in which a business or individual interacts with and sells directly to the end consumer.

Cash flow(s) .... A financial measure that represents the net in- or outflow of liquid funds during a particular period resulting from sales and other current business activities.

Consolidation method.................. Accounting method applied for companies which Rocket Internet SE controls. The Group controls a network company if it has: (i) power over the network company; (ii) exposure, or rights, to variable returns from its involvement with the network company; and (iii) the ability to use its power over the network company to affect its returns. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

CRM, customer relationship management................................. Tools and data warehouses designed to enhance the customer relationship.

Consumer-to-consumer .... A commerce transaction in which customers engage each other in transactions using a third-party company as an intermediary. For example, the company creates a marketplace for customers to buy and sell goods.

D&O insurance............................ Liability insurance payable to the directors and officers of a company, as indemnification for certain damages or advancement of defense costs in the event any such insured suffers such a loss as a result of a legal action (whether criminal, civil, or administrative) brought for alleged wrongful acts in their capacity as directors and officers or against the organization.

de minimis...................................... Too trivial or minor to merit consideration.

Depreciation.................................. A method used to prorate the cost of property, plant and equipment to the asset's life, mainly relating to write-downs leasehold improvements and other property, plant and equipment.

EBIT, earnings before interest and taxes.. A financial performance indicator.

EBITDA, earnings before interest, taxes, impairment, depreciation and amortization.... A financial performance indicator.

E-commerce................................. Electronic commerce, commonly known as e-commerce.

Elements....................................... Summaries are made up of disclosure requirements known as elements.

Entry Standard............................. A sub-segment of the non-regulated market segment (Open Market – *Freiverkehr*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*).

Equity method.............................. An accounting method for companies whose results Rocket Internet SE does not consolidate, but over whom Rocket Internet SE exercises significant influence. Under the equity method the carrying amount is adjusted to reflect Rocket Internet SE's proportionate share in changes to the equity capital of such company, including changes as a result of financing rounds and changes due to the net income/loss of the relevant company. Adjustments also include adjustments to the fair value that occurred at the time of acquisition and adjustments to group-wide accounting policies.

Euro and €.................................... The legal currency of the euro area countries for the economic and monetary union of the EU, including Germany and Luxembourg.

Fair value...................................... Refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial technology.................... Business model that is focused on bringing together borrowers and lenders in regions and segments that are underserved by traditional banks to provide loans as well as online and mobile payment services.

FVTOCI, fair value through other comprehensive income....... A method used by the Group to account for Rocket Internet SE's stakes in certain network companies which are not measured using the FVTPL method, but classified as available-for-sale financial assets. After initial recognition, available-for-sale financial assets are measured at fair value, with unrealized gains or losses recognized in other comprehensive income. If and when an investment accounted for under the FVTOCI method is derecognized or impaired, the cumulative gain or loss is recognized in the financial result of the Group's consolidated statement of comprehensive income.

FVTPL, fair value through profit or loss.................................. An accounting method the Group uses to account for certain associated companies as financial assets. Under the FVTPL method, any dividends received from such entities are recognized as financial income. Gains or losses from the revaluation of such network companies are also recognized as financial income or financial expense, respectively. On the Group's balance sheet, the Group's investments in companies accounted for using the FVTPL method are reported as non-current financial assets.

Human resources.......................... Organizational function responsible for recruiting and benefits administration.

IAS 34.. International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board and as adopted by the EU, which prescribe the minimum content of interim financial reports and the principles for recognition and measurement in financial statements for an interim period.

Internet penetration..................... The percentage of a country or region's population who use a device to access the internet.

Key performance indicator(s)..... A type of performance measurement which a company uses to evaluate its success, or to evaluate the success of a particular activity in which it is engaged.

Last financing round valuation... Last financing round valuation represents the latest third-party valuation or secondary transactions. The analysis disregards liquidation preferences; the last financing round valuations are unaudited numbers that were calculated based on accounting and controlling records of Rocket Internet SE.

Latin America.............................. The geographic region extending as far north as Mexico and as far south as Chile and including Haiti and the Dominican Republic.

Middle East.................................. The geographic region extending as far north as Iraq, as far south as Yemen, as far west as Israel, and as far east as Afghanistan.

Peer-to-peer lending..................... The practice of lending money to unrelated individuals, or "peers", without going through traditional financial intermediaries such as banks or other traditional financial institutions. Lending takes place online through peer-to-peer lending companies' websites using various different lending platforms and credit checking tools, typically lending money in the form of unsecured personal loans.

Post-money valuation.................. In a post-money calculation, the last financing round valuation is calculated based on the investment amount divided by the stake acquired or the price agreed per share multiplied by the number of total shares following the relevant financing round. This means that the value of the relevant entity includes the investment made or committed in the relevant financing round. Accordingly, these valuations are called "post-money valuations". Post-money valuations can be contrasted to pre-money valuations, which show the valuation agreed in a financing round without the investments made or committed in the relevant financing round.

Private label	A brand controlled in-house, allowing the company flexibility in assortment, size and price range opportunities. This can also allow a company to react more quickly to market and customer demands, return higher margins, and build customer loyalty. The term covers both own developments and white label purchases from third parties.
Rule 144A	Regulation 144A under the Securities Act, as amended.
Russia & CIS	The geographic region consisting of Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.
Sectors	Food & Groceries, Fashion, General Merchandise, Home & Living and Travel.
Securities Exchange Act	United States Securities Exchange Act of 1934, as amended.
Smartphone penetration	The percentage of a country or region's population who own and use a smartphone.
Southeast Asia	The geographic region consisting of the countries east of India, west of New Guinea, south of China and north of Australia.
Stock keeping unit	Distinct item, such as a product or service, as it is offered for sale that embodies all attributes associated with the item and that distinguish it from all other items.
Working capital	Financial indicator. Working capital is a measure of the company's efficiency and financial health and represents the difference between the company's current assets and current liabilities (*i.e.*, the operating liquidity available to the company).

19. RECENT DEVELOPMENTS AND OUTLOOK

19.1 Recent Developments

In July 2016, Global Fashion Group announced a funding round, which was subscribed by existing investors including Rocket Internet SE and RICP. Rocket Internet invested €18.9 million in cash in July 2016 and received shares from conversion of existing convertible preference shares. The transaction values Global Fashion Group at €1.03 billion following the investment (post-money), compared to a post-money valuation of €3.04 billion prior to this financing round. Rocket Internet's direct and indirect stake after the transaction is 20.6% (beneficial interests including RICP). Following completion of last management roll-over steps agreed in the context of creation of the Global Fashion Group, Rocket Internet's direct and indirect stake after the transaction will decrease to 20.4% (beneficial interests including RICP).

Following a strategic review of its Indian operations, the board of Global Fashion Group concluded that Jabong's position would be best served through a business combination with a local player. In July 2016, Global Fashion Group entered into a definitive agreement to sell Jabong to FK Myntra Holdings Private Limited, a member of the Flipkart Group, for USD 70 million in cash. The transaction closed on August 2, 2016.

In August 2016, Linio raised up to €50 million in a new financing round. In this financing round, Linio was valued at €100 million pre-money (including agreed roll-up steps), corresponding to about one-fourth of Linio's valuation immediately before this financing round. Rocket Internet did not participate in Linio's current financing round. As a result, Rocket Internet SE's stake in Linio will decrease to 4.9% on a fully diluted basis after the issuance of anti-dilution shares to more senior ranking investors and assuming draw down of the full investment amount of €50 million.

In September 2016, Home24 raised €20 million in a financing round. In this financing round, Home24 was valued at €420 million post-money, compared to a post-money valuation of €981 million prior to this financing round. Rocket Internet participated in Home24's current financing round. As a result, Rocket Internet SE's direct and indirect stake in Home24 amounts to 42.9% (beneficial interest including RICP).

In February 2016, Rocket Internet SE decided to spend up to €150 million on a program to repurchase Convertible Bonds issued by Rocket Internet SE in July 2015. By September 2016, Rocket Internet SE had almost spent the full amount on the repurchase of Convertible Bonds with an aggregate principal amount of €164 million. Rocket Internet SE announced that it may spend an additional €85 million on the repurchase of Convertible Bonds until September 30, 2017.

Except as mentioned above, no significant change in our financial or trading position has occurred since June 30, 2016.

19.2 Outlook

In July 2016, the International Monetary Fund published its "World Economic Outlook", in which it reduced the global growth projection for 2016 and 2017 by 0.1 percentage points to 3.1% and 3.4%, respectively, taking into account the better-than-expected economic activity in the first half of 2016 and the most likely impact of the United Kingdom's referendum on withdrawal from the European Union. The outlook worsened for advanced economies (down by 0.1 percentage points in 2016 and 0.2 percentage points in 2017 to 1.8% for both years) while it remained broadly unchanged for emerging market and developing economies at 4.1% in 2016 and 4.6% in 2017.

With regard to the worldwide internet sector, we expect a continued shift from traditional sales channels to online and mobile business and an acceleration of the growth in mobile internet usage. Accordingly, the entire industry experiences a significant transition from classic desktop-internet companies to mobile-first and even mobile-only. The emergence of new competitors 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 expansion of our companies to continue and intend to continue developing and investing in various new business models.

Regarding New Businesses & Investments, the management expects for the second half of 2016 a decrease in revenues compared to first half of 2016 and also compared to second half of 2015, due to the deconsolidation of network companies, discontinued country activities of subsidiaries and potential disposals of additional subsidiaries. Correspondingly, a sharp decrease in the Group's revenue is anticipated for the entire financial year 2016 compared to previous financial year. Due to the early stage of our fully consolidated subsidiaries, we cannot exclude further losses in the area New Businesses & Investments.

Rocket Internet does not intend to execute further dilutive capital increases at the Group level in the near to medium term. Moreover, no significant M&A transactions are planned for the second half of 2016.

The earnings position of 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 result from deconsolidation (change in status of previously consolidated entities to associated companies or joint ventures). As a result of the strategic shift after the IPO, whereby Rocket Internet SE aims to keep a larger share of the economic ownership in most of the new companies, a reduced level of income from deconsolidation is expected.

Results from associated companies and joint ventures are determined by their operating results on the one hand, and by the conditions agreed with investors in future financing rounds on the other. For the majority of associated companies and joint ventures, we cannot exclude further negative contributions to our Group results.

SIGNATURE PAGE

Berlin, Hamburg, September 23, 2016

Rocket Internet SE

/s/ Oliver Samwer	/s/ Peter Kimpel
Signed by: Oliver Samwer (Chief Executive Officer)	Signed by: Peter Kimpel (Chief Financial Officer)

Joh. Berenberg, Gossler & Co. KG

/s/ Stefan K. Kutscheid	/s/ Christian Wöckener-Erten
Signed by: Stefan K. Kutscheid (Authorized Signatory)	Signed by: Christian Wöckener-Erten (Authorized Signatory)