

ROCKET INTERNET

Rocket

We enable entrepreneurship.

Rocket Internet incubates and invests in internet and technology companies globally. We provide deep operational support to entrepreneurs and help them build market-leading companies.

Quarterly Statement as of March 31, 2020

Non-binding convenience translation from German

Results of Rocket Internet Group for the First Quarter 2020 at a Glance

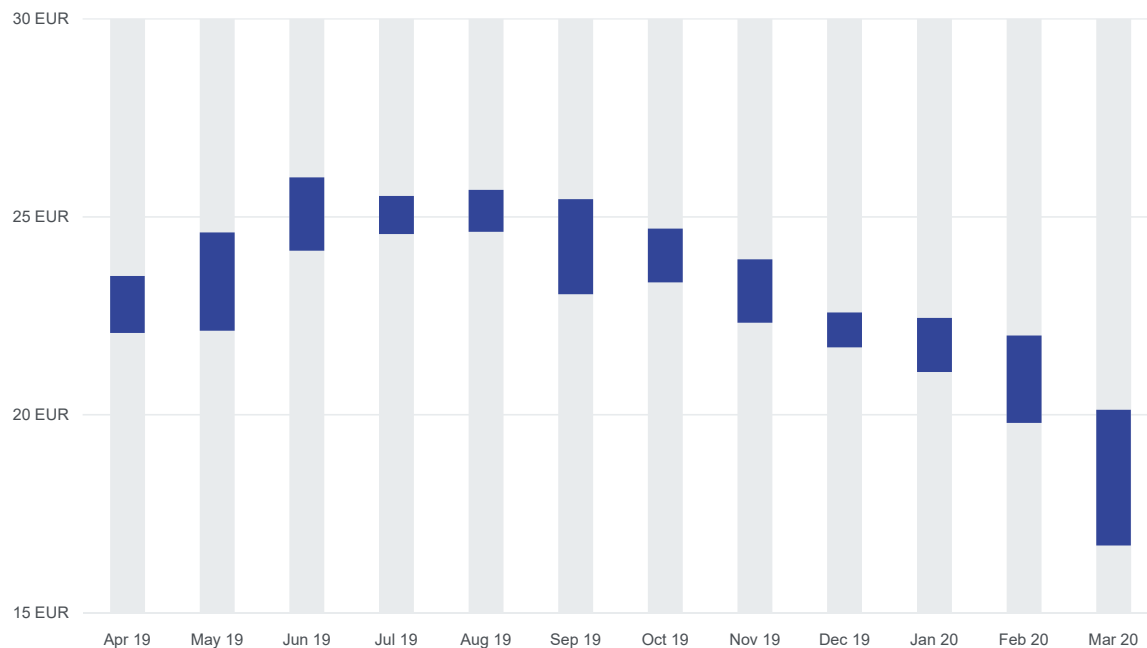
- Revenue of the Rocket Internet Group increased to EUR 19.9 million compared to EUR 15.1 million in the previous year period (+32%). This was mainly driven by the New Businesses (+37%). Revenues from other services increased by 15%.
- The first quarter loss amounts to EUR 161.5 million (previous year period profit of EUR 139.5 million) and is particularly due to the lower valuations of participations in a market environment dominated by Covid-19. Net losses (cumulated losses and gains) of EUR 120.6 million were recognized for equity instruments accounted for at fair value through profit or loss. In the previous year period, however, net gains from equity instruments accounted for at fair value through profit or loss in the amount of EUR 145.7 million were recorded. In addition, the share of profit/loss of associates and joint ventures reduced the quarterly result by EUR 48.3 million (previous year period reduction by EUR 15.2 million).
- Cash and cash equivalents decreased from EUR 1,665.1 million as of December 31, 2019 to EUR 1,325.2 million as of March 31, 2020. The decrease is attributable to cash outflows in connection with short-term bank deposits and the purchase of non-consolidated equity investments as well as cash paid for highly liquid, easily convertible into cash listed shares.

Material Events at Rocket Internet Group during the First Quarter 2020

- On January 30, 2020, Rocket Internet announced the redemption of 13,504,335 own shares. Thus, the share capital of the Company was reduced from EUR 150,767,294.00 by EUR 13,504,335.00 to EUR 137,262,959.00. As of March 31, 2020, 135,690,619 shares were outstanding.
- On March 2, 2020, Rocket Internet announced changes in the Management Board. The Supervisory Board has appointed Soheil Mirpour as Management Board Member with effect from March 1, 2020. Alexander Kudlich, Member of the Management Board, has informed the Supervisory Board that he will not renew his contract which ends March 15, 2020.
- As of December 31, 2019, the Group's stake in Jumia Technologies AG was 9.2%. In the course of the first quarter of 2020, the Group sold its entire investment.

Rocket Internet Share

- The financial markets started the new year with positive expectations especially driven by the easing of trading tensions. From mid-February 2020, increasing concerns about the Covid-19 pandemic led globally to sharp falls in share prices. In the third week of March 2020, the Rocket Internet share price has temporarily dropped below EUR 17.00 amidst Covid-19 pandemic developments.
- In the first quarter 2020, the share price of Rocket Internet SE decreased from EUR 22.10 as of December 31, 2019 to EUR 18.42 as of March 31, 2020. The market capitalization declined by 17% compared with December 31, 2019 and amounted to EUR 2.5 billion as of March 31, 2020. In the same period, the MDAX index fell by 27%.
- In the first quarter 2020, average daily trading volume via the electronic computer trading system Xetra was 264,000 shares (versus 148,000 shares in the first quarter 2019) with an average value of EUR 5.2 million (versus EUR 3.2 million in the first quarter 2019) traded daily.



Development of Xetra closing share prices of the Rocket Internet share 2019/2020

Key Developments of Selected Companies for the First Quarter 2020

- Revenue in the first quarter 2020 of Global Fashion Group increased by 4.1% (8.1% on a constant currency basis). The adjusted EBITDA margin of Global Fashion Group improved by 1.5 pp (-8.3% in the first quarter 2020 compared to -9.8% in the previous year period).
- The share price of Global Fashion Group decreased compared to December 31, 2019 by 54% to EUR 1.06 as of March 31, 2020.
- home24 increased its revenue in the first quarter 2020 by 10.1% to EUR 102.6 million compared to the first quarter 2019. The adjusted EBITDA margin improved by 13 pp to -3.0% compared to the previous year period.
- The share price of home24 decreased compared to December 31, 2019 by 44% to EUR 2.75 as of March 31, 2020.

Rocket Internet Group – Key Figures for the First Quarter 2020

In EUR million	First three months	
	2020	2019
Revenue	19.9	15.1
Share of profit/loss of associates and joint ventures	-48.3	-15.2
EBITDA	-48.9	-13.5
EBIT	-51.6	-14.8
Financial result	-103.5	156.6
Loss/profit for the period	-161.5	139.5
Total comprehensive loss/income for the period, net of tax	-156.3	148.1
Cash and cash equivalents ¹⁾	1,325.2	2,032.6
Cash flow from operating activities	-93.0	-91.8
Cash flows from investing activities	-401.0	387.3
Cash flows from financing activities	144.9	10.5

¹⁾ Cash and cash equivalents amounted to EUR 1,665.1 million as of December 31, 2019

Revenue

Revenue increased from EUR 15.1 million in the first quarter 2019 to EUR 19.9 million in the first quarter 2020 mainly due to the significant revenue growth in the New Businesses by 37%. This is driven by a higher volume of FinTech operations. Revenue from other services increased by 15%. It represents mainly income from consulting services and from letting of office space.

Share of profit/loss of associates and joint ventures

In the first quarter of 2020, the share of profit/loss of associates and joint ventures decreased by EUR 33.1 million compared to the previous year period. It mainly includes the share of losses from RICP Fund and Traveloka as well as impairments for the B2B Food Group.

EBITDA/EBIT

EBITDA declined from negative EUR 13.5 million in the first quarter 2019 by EUR 35.4 million to negative EUR 48.9 million in the first quarter 2020. The EBITDA decline is mainly due to a lower share of profit/loss of associates and joint ventures. EBIT decreased by EUR 36.8 million to negative EUR 51.6 million in the same period.

Financial result

The financial result declined by EUR 260.2 million and amounts to negative EUR 103.5 million in the first quarter 2020. It mainly comprises net losses (cumulated losses and gains) of equity instruments accounted for at fair value through profit or loss of EUR 120.6 million (previous year period net gains of EUR 145.7 million). Net gains on the currency translation of loans and cash and cash equivalents as well as the valuation of forward exchange contracts amount to EUR 14.7 million (previous year period EUR 8.7 million).

Loss/profit for the period

The result for the first quarter 2020 decreased by EUR 301.0 million to a loss of EUR 161.5 million compared to a profit of EUR 139.5 million in the previous year period. The first quarter 2020 was impacted by a lower financial result (decrease by EUR 260.2 million) as well as by a EUR 33.1 million decreased share of profit/loss of associates and joint ventures.

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

The total comprehensive loss/income for the period, net of tax, decreased from EUR 148.1 million in the first quarter 2019 by EUR 304.4 million to negative EUR 156.3 million in the first quarter 2020 and mainly includes in both periods the abovementioned loss/profit for the period. In addition, in the first quarter of 2020, a positive amount of EUR 4.1 million (previous year period EUR 2.0 million) results from exchange differences on translation of foreign operations and a positive amount of EUR 1.2 million (previous year period EUR 6.6 million) results from the changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures net of tax.

Cash and cash equivalents/Cash flow

Cash and cash equivalents decreased from EUR 1,665.1 million as of December 31, 2019 by EUR 339,9 million to EUR 1,325.2 million as of March 31, 2020. The cash flow from operating activities decreased by EUR 1.2 million to negative EUR 93.0 million and is primarily attributable to the generation/purchase of FinTech loan receivables (net of cash outflows and repayments).

In the first quarter 2020, the cash flows from investing activities in the amount of negative EUR 401.0 million were mainly driven by the cash paid in connection with short-term bank deposits in the amount of EUR 194.0 million, cash paid for the acquisition of non-consolidated equity investments in the amount of EUR 174.7 million as well as cash paid for highly liquid, easily convertible into cash listed shares in the amount of EUR 84.8 million.

The cash flows from financing activities amounted to EUR 144.9 million (previous year period EUR 10.5 million) and mainly result from raising short-term overdraft loans. As of March 31, 2020, the Group had short-term overdraft loan liabilities of EUR 141.5 million (previous year period EUR 0.0 million).

The Group continues to maintain a solid cash position. In addition to cash and cash equivalents, the Group had short-term restricted bank deposits of EUR 947.9 million as well as easily convertible into cash listed shares of EUR 197.1 million as of March 31, 2020.

Forecast and Other Statements on the Anticipated Development

After the global economy fell into recession in the first quarter of 2020, its development will continue to be dominated by the corona crisis during the rest of the year. The key factors for the assessment of the further development are, on the one hand, the point in time when the pandemic will be under control globally, as well as the duration for which economic activities remain impaired and, on the other hand, the recovery scenario, that will occur afterwards. From the current perspective, a significant decline in global economic output must be anticipated for the full financial year 2020.

The Covid-19 pandemic has in total negative impact on our network companies. Even if the number of new infections is now largely declining, at least in Europe, public life and thus also economic activity will continue to be restricted for the foreseeable future. This will most likely have a significant negative impact on global economic growth and thus also on our network of companies.

We expect lower increase of revenues at many companies or partially sharp declines in revenues compared with the previous year. The Covid-19 pandemic could have a significant negative impact on the loan portfolio which however cannot be forecasted. The corona pandemic and the related market conditions may also have a significant impact on the fair value of our unlisted network companies, the extent of which cannot be predicted. Furthermore, we expect a higher insolvency rate compared with previous years.

However, Rocket Internet has sufficient capital available to continue the supporting of attractive companies and outstanding teams. The past showed that some very successful companies were founded in times of recession. Therefore, even in these uncertain times, Rocket Internet continues to look for promising business models and companies.

Events after the Reporting Period

On April 9, 2020, Rocket Internet announced that the shareholding in SME Credit Realisation Fund Limited had been increased to 22.8% through the acquisitions and disposals of shares. The Group's stake in SME Credit Realisation Fund Limited was 9.0% as of December 31, 2019.

On May 6, 2020, Rocket Internet announced that the shareholding in home24 SE had been reduced to 7.8% through the sale of shares. As of December 31, 2019, the Group's stake in home24 was 10.6%.

On May 15, 2020, Rocket Internet SE virtually held its Annual General Meeting in Berlin. All agenda items proposed by the Management Board and the Supervisory Board at the Annual General Meeting were passed.

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

About Rocket Internet

Rocket Internet incubates, builds and operationally develops internet-based business models. It provides operational support to its companies and helps them scale internationally. Besides, it strategically invests in complementary internet and technology companies globally to build out its network. Rocket Internet's companies are active in a large number of countries around the world. Rocket Internet SE is listed on the Frankfurt Stock Exchange (ISIN DE000A12UKK6, RKET) and is included in the MDAX index. For further information please visit www.rocket-internet.com.

About this Document

This document is a Quarterly Statement pursuant to Sec. 53 of the Exchange Rules for the Frankfurt Stock Exchange. This Quarterly Statement was prepared on May 27, 2020 (editorial deadline) and was submitted for publication on May 28, 2020 (publication date).

Disclaimer and other Notes

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

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

The financial figures have been prepared in conformity with International Financial Reporting Standards (IFRS) as adopted by the EU. This Quarterly Statement is not an Interim Financial Report within the meaning of International Accounting Standard (IAS) 34. Further information on the accounting methods used can be found in the most recent annual report at www.rocket-internet.com/investors. Furthermore, this document includes in IFRS not clearly defined additional financial measures that are or may be so-called non-GAAP financial measures. These supplemental financial measures should not be viewed in isolation or as alternatives to assess the position of the Group as presented in accordance with IFRS. Other enterprises that report or describe similarly titled financial measures may calculate them differently.

The Quarterly Statement is presented in Euro (EUR), the functional currency of Rocket Internet SE. Unless otherwise indicated, all values are rounded to million Euro (EUR million) with one decimal point in accordance with standard commercial practice, which may result in rounding differences and percentage figures presented may not exactly reflect the absolute figures they relate to.

All participation quotas for our network companies shown in the Quarterly Statement are based on the Group's ownership calculated pursuant to the respective accounting rules (e.g. reflecting the transaction closing dates, dates of change in control, considering trust shares allocated to the Group, excluding stakes indirectly held via RICP/RICP II etc.) and may therefore differ from the respective information (beneficial interest including RICP/RICP II) published on the Company's website which is based on the signing dates.

This document is a translation of the original German version and is intended to be used for informational purposes only. While every effort has been made to ensure the accuracy and completeness of the translation, please note that the German original is binding.

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