



• **Professor Dr. Marcus Englert,**
Chairman of the Supervisory Board

Report of the Supervisory Board of Rocket Internet SE for the Financial Year 2018

Dear Shareholders,

In the financial year 2018, the Supervisory Board of Rocket Internet SE (“**Rocket Internet**” or “**Company**”) fulfilled all duties in accordance with statutory law, the articles of association and the rules of procedure in their entirety. It has regularly advised the Management Board on the basis of comprehensive reports of the Management Board, which were given in written as well as in verbal form, on the strategic direction of the Company and continuously oversaw its management. The Supervisory Board was involved in all fundamental decisions of the Company. The Management Board regularly, promptly and comprehensively reported to the Supervisory Board, both during the scheduled meetings and at other times as the situation required. As part of this process, the Management Board informed the Supervisory Board about all relevant matters regarding operative planning and the risks and rewards related therewith. This included matters on the development and pursuit of the business, questions on planned and current investments, the state of the group including its risk position, as well as risk management and compliance. Furthermore, the Management Board aligned the Company’s strategic focus with the Supervisory Board. In 2018, the Management Board reported extensively to the Supervisory Board on the Company in the four meetings of the Supervisory Board, including the development of revenue and profitability of the Company, the selected associated companies, as well as the state of the Company and its business policy. The reports were made available to absent members. The content of the reports was discussed intensely with the Supervisory Board. In this context, *inter alia*, deviations from the actual course of the business to the plan were discussed. The reports of the Management Board met the legal requirements, good corporate governance standards and the requirements of the Supervisory Board with regard to their content and scope. The Supervisory Board has dealt in depth, critically analyzed and evaluated the Management Board’s reports and further information provided by the Management Board. Furthermore, the Supervisory Board, until June 8, 2018 mainly through the Audit Committee, received regular reports from the Management Board regarding the internal control system implemented by the Management Board, the group wide risk management and the internal audit system, and dealt with their effectiveness. To the extent an approval of the Supervisory Board was required for decisions

or measures of the Management Board in accordance with statutory law, the articles of association or the rules of procedure, the members of the Supervisory Board (in part after preparation by a Committee) approved the proposal after review and discussion.

There have been personal as well as structural changes to the Supervisory Board during the reporting year. Upon the ending of the ordinary annual general meeting on June 8, 2018, the period of office ended for all eight Supervisory Board members, Prof. Dr. Marcus Englert, Prof. Dr. h.c. Roland Berger, Mr. Stefan Krause, Mr. Norbert Lang, Mr. Pierre Louette, Prof. Dr. Joachim Schindler, Mr. Daniel Shinar and Mr. Christopher H. Young. In the ordinary annual general meeting on June 8, 2018 the reduction of the number of Supervisory Board members from eight to four members was decided. Furthermore, Prof. Dr. Marcus Englert, Mr. Norbert Lang, Mr. Pierre Louette and Prof. Dr. Joachim Schindler were reelected to the Supervisory Board in the ordinary annual general meeting on June 8, 2018. The Supervisory Board thanks Prof. Dr. h.c. Roland Berger, Mr. Krause, Mr. Shinar and Mr. Young for their support in the past.

In its constitutive meeting held on June 8, 2018 the Supervisory Board resolved on the restatement of its rules of procedure, which due to the reduction of the number of Supervisory Board members no longer provides for any Committees.

Until the constitutive meeting of the Supervisory Board held on June 8, 2018, the following five Committees existed:

- Audit Committee
- Remuneration Committee
- Nomination Committee
- Executive Committee
- Investment Committee

Key Activities

In addition to the Management Board reporting, in particular with regard to the economic state and the development of the Company and the group and on material business events as well as the statutory regular reporting on intended business policy and fundamental questions with regard to the Company's operative planning and profitability, in particular, the following topics were in depth dealt with by the Supervisory Board:

- The annual financial statements and group financial statements for the financial year 2017 and their review by the Supervisory Board, as well as the result for the first half of the year 2018
- Development of the business during the course of the year
- Rocket Internet's revenue and earnings budget (stand-alone basis) for the year 2019
- Strategic positioning and structuring of the group and business organization
- The development and strategy of Rocket Internet's material investments
- The audit planning and quarterly reports of the internal audit department
- The invitation to and the agenda of the ordinary annual general meeting 2018, including the proposals for resolutions
- The establishment of an Internet sector growth fund and the Company's participation in such fund

- The buyback of the Company's convertible bonds
- The buyback of the Company's shares and the redemption of the Company's shares
- The amount of cash and cash equivalents of the Company, and the cash management strategy
- IPOs of Westwing and home24
- Sale of shares in Delivery Hero and HelloFresh
- Restatements of the rules of procedure for the Supervisory Board and the Management Board
- The departure of a member of the Management Board and the adjustment of the distribution of the departments
- Declaration of conformity to the German Corporate Governance Code ("GCGC")
- The election of the new members to the Supervisory Board: Prof. Dr. Marcus Englert, Mr. Norbert Lang, Mr. Pierre Louette and Prof. Dr. Joachim Schindler

Meetings and Attendance

In the financial year 2018, there were four Supervisory Board meetings in which all Management Board members participated, as well as three meetings of the Audit Committee in which the CFO of the Company participated. The average attendance rate at Supervisory Board meetings was 94 percent. The attendance rate at Audit Committee meetings was 78 percent. All absent members voted on all agenda items in writing. In addition to the meetings, a multitude of resolutions were passed in circulation procedure.

Conflicts of Interest

In the financial year 2018, the following indication of a conflict of interest was determined:

Christopher H. Young is the CEO of First Pacific Company Limited. In 2018, the Company repurchased in the course of a public share buy-back offer inter alia 6,800,000 shares of the Company from PLDT Online Investments Pte. Ltd., a subsidiary of First Pacific Company Limited. By way of precaution, Christopher H. Young did neither participate in the discussion nor in the vote in connection therewith.

Corporate Governance

The Supervisory Board and Management Board jointly issued the declaration of conformity with the GCGC, according to section 161 of the German stock corporation act (Aktiengesetz), and published it permanently on the company website. Deviations from the GCGC are laid out in the declaration.

Discussion of the Annual and Group Financial Statements 2018

The ordinary annual general meeting of Rocket Internet resolved on June 8, 2018 to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Berlin branch, as auditor for the financial year 2018. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft has audited the accounting, the annual financial statements according to German GAAP, the group financial statements according to IFRS, as well as the combined management report of Rocket Internet and the group, for the financial year 2018. As part of the audit by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, the

early risk recognition system was audited and analyzed. No material weaknesses of the internal control system, early risk recognition system nor of the accounting process were detected. The auditor issued unqualified audit opinions. The Supervisory Board convinced itself of the independence of the auditor and obtained a written declaration thereon.

The listed documentation pertaining to the financial statements and the audit reports of the auditor, as well as the proposal on the appropriation of profit and the non-financial consolidated declaration, the latter prepared and reviewed by the external auditors Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Munich, pursuant to ISAE 3000, were made available to all members of the Supervisory Board in due course. The annual accounts were intensely dealt with in a meeting of the Supervisory Board on March 11, 2019, preparing the Accounts Meeting, and during its Accounts Meeting on April 3, 2019. The auditor took part in the meetings, reported on the material findings of the audit and was present during the discussions to answer supplementary questions and to provide additional information. The Supervisory Board came, on the basis of its own review, to the conclusion that the annual financial statements, combined management report, group financial statements and reports of the auditor, as well as the assessments of the auditor on the internal control and early risk recognition system – especially concerning the accounting process – do not give rise to any objections. Further, the Supervisory Board examined and discussed the non-financial consolidated declaration and declared its agreement with the results of the audit carried out by the external auditors.

The Supervisory Board, with a resolution dated April 3, 2019, confirmed the annual financial statements and the group financial statements of Rocket Internet for the financial year 2018. The annual financial statements of Rocket Internet for the financial year 2018 are thereby approved. On this basis, the Supervisory Board consented to the proposal made by the Board of Management on the appropriation of distributable profit.

Personal changes in the Management Board

Peter Kimpel at his own wish left the Management Board of Rocket Internet with effect beginning of October 2018. The Supervisory Board thanks Peter Kimpel for his valuable contribution to the performance of Rocket Internet and wishes him well.

Thanks to the Management Board and Employees

The Supervisory Board thanks the members of the Management Board as well as the employees of Rocket Internet and all group companies for their successful work in the financial year 2018.

Berlin, April 3, 2019

On behalf of the Supervisory Board



Professor Dr. Marcus Englert,
Chairman of the Supervisory Board