



Consolidated Financial Statements 2014

(prepared in accordance with IFRS)

Rocket Internet SE, Berlin

(formerly Rocket Internet AG, Berlin)

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Rocket Internet SE, Berlin (formerly Rocket Internet AG)

Consolidated Statement of Comprehensive Income for the Period January 1 to December 31, 2014

Income Statement in EUR thousand	Note	Jan 1 - Dec 31, 2014	Jan 1 to Dec 31, 2013
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 in EUR thousand		Jan 1 - Dec 31, 2014	Jan 1 to Dec 31, 2013
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

Assets					Equity and liabilities				
in EUR thousand	Note	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013	in EUR thousand	Note	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
Non-current assets					Equity				
Property, plant and equipment	25	3,131	2,402	2,406	Subscribed capital	34	153,131	110	103
Intangible assets	26	9,024	6,570	3,942	Capital reserves	34	2,482,643	490,707	319,106
Investments in associates and joint ventures	11	1,450,762	681,389	390,459	Treasury shares	34	0	-43	0
Non-current financial assets	27, 42	338,530	68,355	24,407	Retained earnings	34, 35	1,014,782	604,174	271,100
Other non-current non-financial assets	31	4,158	40	0	Other components of equity	34	87,116	8,628	-72
Income tax assets	23	112	73	0	Equity attributable to equity holders of the parent		3,737,672	1,103,576	590,238
Deferred tax assets	23	48	99	37	Non-controlling interests	34	34,184	12,750	33,167
		<u>1,805,765</u>	<u>758,927</u>	<u>421,251</u>	Total equity		<u>3,771,857</u>	<u>1,116,325</u>	<u>623,406</u>
Current assets					Non-current liabilities				
Inventories	28	11,238	7,423	8,841	Non-current financial liabilities	36, 41, 42	5,315	1,138	575
Trade receivables	29, 41, 42	20,748	5,721	14,497	Other non-current non-financial liabilities	39	498	8	36
Other current financial assets	30, 42	15,095	20,726	18,518	Income tax liabilities	23	45	0	0
Other current non-financial assets	31	7,975	3,181	3,524	Deferred tax liabilities	23	3,600	3,510	3,362
Income tax asset	23	991	851	154			9,457	4,656	3,973
Cash and cash equivalents	32, 41, 42	2,053,448	413,862	214,543	Current liabilities				
		<u>2,109,496</u>	<u>451,763</u>	<u>260,076</u>	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
Assets classified as held for sale	33	3,879	46,331	0	Liabilities directly associated with assets classified as held for sale	33	0	10,617	0
					Total liabilities		<u>147,284</u>	<u>140,697</u>	<u>57,921</u>
Total assets		<u>3,919,140</u>	<u>1,257,022</u>	<u>681,327</u>	Total equity and liabilities		<u>3,919,140</u>	<u>1,257,022</u>	<u>681,327</u>

Rocket Internet SE, Berlin (formerly Rocket Internet AG)

Consolidated Statement of Changes in Equity for the Period January 1 to December 31, 2014

in EUR thousand	Note	Equity attributable to equity holders of the parent					Total	Non-controlling interests	Total equity
		Subscribed capital	Capital reserves	Treasury shares	Retained earnings	Other components of equity			
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
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

in EUR thousand	Notes	Jan 1 - Dec 31, 2014	Jan 1 - Dec 31, 2013
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
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

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).

Notes to the Consolidated Financial Statements 2014 (IFRS)

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

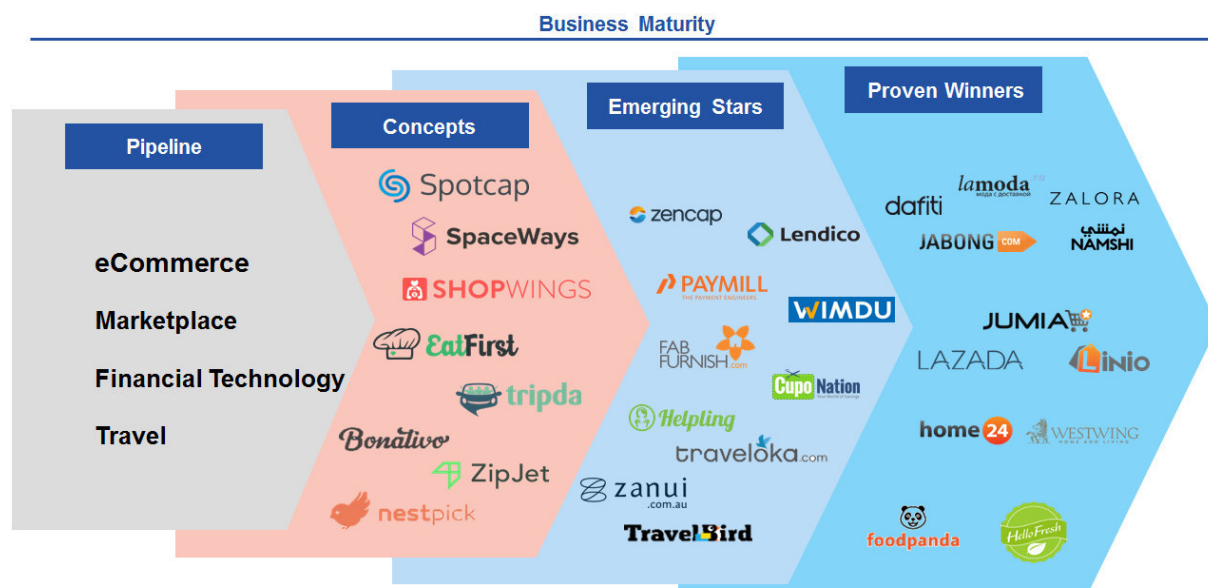
Rocket Group has developed technology platforms for eCommerce, Marketplaces, Travel and Financial Technology that can be easily adapted to the specific needs of the network companies. Furthermore, Rocket provides its network companies with a series of other tools along the value-chain of an Internet 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 companies² 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, Lino
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, Helping
Asia Internet Holding S.à r.l.	Daraz, Lamudi, Carmudi, Easy Taxi, Clickbus, Kaymu, Helping, Jovago, Shopwings

As of December 31, 2014 the consolidated group comprised 138 fully consolidated companies in addition to Rocket Internet SE.

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:

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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

	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 <i>thereof subsidiaries of associated companies/joint ventures transitioned</i>	-64 (-62)	-76 (-68)	-140 (-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
<i>thereof at equity</i>	<i>28</i>	<i>8</i>	<i>36</i>
<i>thereof at FVTPL</i>	<i>9</i>	<i>8</i>	<i>17</i>

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

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- 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

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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.

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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:

	<u>Useful lives in years</u>
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.

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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:

<i>In thousands of EUR</i>	2014	2013
Net loss/income reported in accordance with HGB	-20,177	174,185
<i>Effects of changes in accounting policies:</i>		
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
<i>thereof exchange differences on translation of foreign operations</i>	-455	785
<i>thereof share of changes in the net assets of associates/joint ventures that are recognized in OCI of the associates/joint ventures</i>	80,238	8,254
<i>thereof other OCI</i>	-321	321
<i>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</i>	-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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

The reconciliation of equity reported in accordance with previous GAAP (HGB) to equity in accordance with IFRSs is as follows:

<i>In thousands of EUR</i>	Dec 31,2014	Dec 31,2013	Jan 1, 2013
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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

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:

<i>In thousands of EUR</i>	2014	2013
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

<i>In thousands of EUR</i>	2014	2013
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

<i>In thousands of EUR</i>	2014	2013
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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

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, Helping, 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								Total
	E-Commerce Home & Living	E-Commerce Fashion		E-Commerce General Merchandise	E-Commerce Food	Market-place	Other	Re-conciliation ³	
		E-Commerce Fashion 1	E-Commerce Fashion 2						
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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

Segment information for the reportable segments for the year ended December 31, 2013 is set out below (in thousands of EUR):

	Proven Winners							Re-conciliation ⁶	Total
	E-Commerce Home & Living	E-Commerce Fashion		E-Commerce General Merchandise	E-Commerce Food	Market-place	Other		
		E-Commerce Fashion 1	E-Commerce Fashion 2						
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 ¹⁾	63,702	209,880	100,167	214,920	3,840	8,657	427,107	-614,412	413,862

¹⁾ Except for cash and bank balances included in the assets held for sale of EUR 33,356 thousand

Revenues for each region for which the revenues are material are reported separately as follows:

Revenue by region	In thousands of EUR	
	2014	2013
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	In thousands of EUR		
	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

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.

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	31/12/13	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

Notes to the Consolidated Financial Statements 2014 (IFRS)

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	2013	Share as a %
Beauty Trend Holding GmbH	59.8%	Beauty Trend Holding GmbH	59.8%
Ecommerce Holding II S.à r.l.	55.5%	Classmarkets GmbH	52.8%
Emerging Markets Taxi Holding S.à r.l.	57.9%	Cuponation Group GmbH	50.6%
Jade 1158. GmbH	68.2%	Emerging Markets Asia eCommerce Holding GmbH	89.0%
Jade 1223. GmbH	73.9%	Emerging Markets Online Food Delivery Holding S.à r.l.	60.7%
Payleven Holding GmbH	55.8%	Jade 1158. GmbH	68.2%
Paymill Holding GmbH	50.1%	Jade 1223. GmbH	73.9%
PTH Brillant Services GmbH	79.6%	Payleven Holding GmbH	57.7%
Wimdu GmbH	52.5%	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
<i>In thousands of EUR</i>						
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
<i>In thousands of EUR</i>						
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

Notes to the Consolidated Financial Statements 2014 (IFRS)

Jan 1, 2013	Assets		Liabilities		Total	
<i>In thousands of EUR</i>	Non-current	Current	Non-current	Current	Net Assets	Attributable to NCI
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

<i>In thousands of EUR</i>	Revenue	Profit (Loss)	Other comprehensive income	Total comprehensive income	Allocated NCI
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

<i>In thousands of EUR</i>	Revenue	Profit (Loss)	Other comprehensive income	Total comprehensive income	Allocated NCI
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		
<i>In thousands of EUR</i>	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
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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

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:

<i>In thousands of EUR</i>	2014
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:

<i>In thousands of EUR</i>	Jan 1- Dec 31, 2014
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 Associate of Asia Internet Holding S.à r.l.
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
Helping 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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

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:

<i>In thousands of EUR</i>	Impact on equity attributable to owners of the parent	
	2014	2013
Kanui Comercio Varejista Ltda	1,921	-95
MKC Brilliant 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		
	shareholders of the parent	non-controlling interests	Total
in EUR thousands			
Proceeds from non-controlling interests			
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:

<i>In thousands of EUR</i>	Fair value recognized on acquisition
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
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.

<i>In thousands of EUR</i>	Purchase consideration
Cash payments on acquisition	44,000
Contingent cash consideration liability (earn out payment)	<u>7,272</u>
Total consideration	<u>51,272</u>

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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

The provisional fair values of the identifiable assets and liabilities of La Nevera Roja as at the date of acquisition were:

<i>In thousands of EUR</i>	Fair value recognized on acquisition
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.

<i>In thousands of EUR</i>	Purchase consideration
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

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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 Brilliant Services GmbH	Bigfoot II	Zalora business (including The Iconic brand)
TIN Brilliant 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 Brilliant Services GmbH and TIN Brilliant 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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

Summarized balance sheets (in thousands):

December 31, 2014

<i>Company Currency</i>	AEH New Africa II EUR	Big Commerce EUR	Foodpanda EUR	Global Fashion 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)

<i>Company Currency</i>	Hello Fresh EUR	Home24 EUR	Westwing 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

<i>Company Currency</i>	Bigfoot I EUR	Bigfoot II EUR	Big Commerce EUR	Food-panda EUR	Hello Fresh EUR	Home 24 EUR	Westwing 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

<i>Company Currency</i>	Bigfoot I EUR	Bigfoot II EUR	Big Commerce EUR	Hello Fresh EUR	Home 24 EUR	Westwing EUR	Zalando 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

Notes to the Consolidated Financial Statements 2014 (IFRS)

Summarized income statements (in thousands):

Year ended December 31, 2014

<i>Company Currency</i>	AEH New Africa II EUR	Big Commerce EUR	Foodpanda EUR	Global Fashion 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)

<i>Company Currency</i>	Hello Fresh EUR	Home 24 EUR	Westwing 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

<i>Company Currency</i>	Bigfoot I EUR	Bigfoot II EUR	Big Commerce EUR	Foodpanda EUR	Hello Fresh EUR	Home 24 EUR	Westwing 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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

December 31, 2014

<i>Company Currency</i>	AEH New Africa II EUR	Big Commerce EUR	Foodpanda EUR	Global Fashion 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)

<i>Company Currency</i>	Hello Fresh EUR	Home24 EUR	Westwing 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

<i>Company Currency</i>	Bigfoot I EUR	Bigfoot II EUR	Big Commerce EUR	Food- panda EUR	Hello Fresh EUR	Home24 EUR	Westwing 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

Notes to the Consolidated Financial Statements 2014 (IFRS)

January 1, 2013

<i>Company Currency</i>	Bigfoot I EUR	Bigfoot II EUR	Big Commerce EUR	Hello Fresh EUR	Home24 EUR	Westwing EUR	Zalando 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.

<i>In thousands of EUR</i>	Year ended Dec 31, 2014	Year ended Dec 31, 2013	Jan 1, 2013
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

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

<i>In thousands of EUR</i>	
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):

	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu	Wimdu
<i>Company Reporting date</i>	31/12/14	31/12/14	31/12/14	31/12/14	31/12/13	01/01/13
<i>Currency</i>	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:

	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu	Wimdu
<i>Company Reporting date</i>	31/12/14	31/12/14	31/12/14	31/12/14	31/12/13	01/01/13
<i>Currency</i>	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

Notes to the Consolidated Financial Statements 2014 (IFRS)

Summarized income statements (in thousands):

<i>Company</i>	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu
<i>Year ended</i>	31/12/14	31/12/14	31/12/14	31/12/14	31/12/13
<i>Currency</i>	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):

<i>Company</i>	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu
<i>Year ended</i>	31/12/14	31/12/14	31/12/14	31/12/14	31/12/13
<i>Currency</i>	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):

<i>Company</i>	Africa Internet Group	Asia Pacific Internet Group	Middle East Internet Group	Wimdu	Wimdu	Wimdu
<i>Reporting date</i>	31/12/14	31/12/14	31/12/14	31/12/14	31/12/13	01/01/13
<i>Currency</i>	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.

Notes to the Consolidated Financial Statements 2014 (IFRS)*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.

<i>In thousands of EUR</i>	Year ended Dec 31, 2013	Jan 1, 2013
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:

In thousands of EUR	2014	%	2013	%
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:

<i>In thousands of EUR</i>	2014	2013
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

<i>In thousands of EUR</i>	2014	2013
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:

<i>In thousands of EUR</i>	2014	2013
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:

<i>In thousands of EUR</i>	2014	2013
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:

<i>In thousands of EUR</i>	2014	2013
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:

<i>In thousands of EUR</i>	2014	2013
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:

<i>In thousands of EUR</i>	2014	2013
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:

<i>In thousands of EUR</i>	2014	2013
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:

<i>In thousands of EUR</i>	Dec. 31, 2014	Dec. 31, 2013
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:

<i>In thousands of EUR</i>	Leasehold improvements	Other property, plant and equipment	Total
<u>Cost</u>			
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
<u>Depreciation and impairment</u>			
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
<u>Net book value</u>			
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:

<i>In thousands of EUR</i>	Internally generated intangible assets	Purchased industrial and similar rights	Total
<u>Cost</u>			
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
<u>Amortization and impairment</u>			
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
<u>Net book value</u>			
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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

29 Trade Receivables

Trade receivables are comprised of the following:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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:

<i>In thousands of EUR</i>	Book value	Not past due and not impaired	Past due, but not impaired				Impaired receivables (gross)	Impairment amount
			1 – 30 days	31 – 60 days	91 – 180 days	> 180 days		
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:

<i>In thousands of EUR</i>	Valuation allowance
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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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:

<i>In thousands of EUR</i>	Book value	Not past due and not impaired	Due, but not impaired				Impaired receivables (gross)	Impairment amount
			1 – 30 days	31 – 60 days	91 – 180 days	> 180 days		
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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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 Brilliant Services GmbH, Home24 GmbH and Westwing Group Holding GmbH. Secondly, United Internet AG and Global Funds 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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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

Notes to the Consolidated Financial Statements 2014 (IFRS)

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:

<i>In thousands of EUR</i> Dec 31, 2014	Paymill Holding GmbH / Payleven Holding GmbH	Playa Games GmbH	Total
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.

<i>In thousands of EUR</i> Dec 31, 2013	Middle East Internet Holding S.à r.l.	Africa Internet Holding GmbH	Total
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

Notes to the Consolidated Financial Statements 2014 (IFRS)

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:

<i>In thousands of EUR</i>	2014	2013
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:

<i>In thousands of EUR (except per share data)</i>	2014	2013
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 Brilliant 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:

<i>In thousands of EUR</i>	2014
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

Notes to the Consolidated Financial Statements 2014 (IFRS)**36 Non-Current Financial Liabilities**

Non-current financial liabilities are comprised of the following:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

Notes to the Consolidated Financial Statements 2014 (IFRS)

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:

Share options	2014	
	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.

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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.

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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:

<i>In thousands of EUR</i>	2014	2013
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.

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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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

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The maturity analysis of financial liabilities is as follows:

Dec, 31, 2014	Carrying amount	Cashflows < 1 year		Cashflows 1 - 5 years		Cashflows > 5 years	
<i>In thousands of EUR</i>		Principal	Interest	Principal	Interest	Principal	Interest
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	
<i>In thousands of EUR</i>		Principal	Interest	Principal	Interest	Principal	Interest
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	
<i>In thousands of EUR</i>		Principal	Interest	Principal	Interest	Principal	Interest
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:

<i>In thousands of EUR</i>				Dec 31, 2014	Dec 31, 2013	Jan 1, 2013	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	IAS 39 Measurement category	Measured at	Level	Carrying amount			Fair Value		
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

Notes to the Consolidated Financial Statements 2014 (IFRS)

<i>In thousands of EUR</i>				Dec 31, 2014	Dec 31, 2013	Jan 1, 2013	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
	IAS 39 Measurement category	Measured at	Level	Carrying amount			Fair Value		
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

Notes to the Consolidated Financial Statements 2014 (IFRS)

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

In thousands of EUR	2014		2013	
	all	Level 3 only	all	Level 3 only
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.

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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

Notes to the Consolidated Financial Statements 2014 (IFRS)

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):

<i>Company</i>	Jimdo	Trusted Shops	Get Abstract	Travel Trex	Marley Spoon	LeadX	Ulmon	Motor-talk
<i>Reporting date</i>	31/12/14	31/12/14	31/12/14	31/05/14	31/12/14	31/12/14	31/12/14	31/12/14
<i>Currency</i>	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):

<i>Company</i>	Jimdo	Trusted Shops	Get Abstract	Travel Trex	Marley Spoon	LeadX	Ulmon	Motor-talk
<i>Reporting date</i>	31/12/14	31/12/14	31/12/14	31/05/14	31/12/14	31/12/14	31/12/14	31/12/14
<i>Currency</i>	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)

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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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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:

Notes to the Consolidated Financial Statements 2014 (IFRS)

<i>In thousands of EUR</i>	Dec 31,2014	Dec 31, 2013	Jan 1, 2013
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:

<i>In thousands of EUR</i>	2014	2013
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

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
Rental guarantee in favor of an associated company	0	304	304
Total contingent liabilities	0	304	304

Notes to the Consolidated Financial Statements 2014 (IFRS)

The Company reports other contractual obligations for the following items:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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:

<i>In thousands of EUR</i>	Dec 31, 2014	Dec 31, 2013	Jan 1, 2013
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.

Rocket Internet SE
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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)

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