Annual Report
2013

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LETTER TO OUR SHAREHOLDERS

Dear shareholders,

During the first full year under the “CLIQ” brand our company operated successfully and turned profitable. Today, Cliq Digital is acting globally with lean corporate structures. In 2013 we generated nearly half of our revenues outside Europe, with important markets especially in Asia but also in Australia, Africa and South America. Our company is organized very streamlined; high professional flexible teams are serving our worldwide customers from just a few locations.

Nevertheless in 2013 financial year we faced difficult and challenging market environments in some regions. Business was hit by new regulations particularly in UK, Spain and Singapore; new legal provisions also averted entering the US and other markets. Still, fast and determined reactions on changing markets in terms of regulation as well as customer preferences, economic developments, technological advancements and trends are an inherent part of our business model. Our deep knowledge of the global markets for mobile content enables us not only to largely prevent losses due to changing markets, but also to occupy the currently most promising countries with the most favored products. Based on many years of experience we are able to estimate the ARPU (Average Revenue Per User) and the CPA (Costs Per Acquisition) of a product precisely in advance.

In 2013 financial year, Cliq Digital´s revenue amounted to EUR 51.8 million, resulting in earnings before interest, tax, depreciation and amortization (EBITDA) of EUR 6.0 million. Depreciation and amortization decreased from EUR 10.4 million in 2012 to EUR 4.0 million in 2013, mainly due to the lower amortization of the customer base of Cliq B.V. The consolidated net profit for 2013 amounted to EUR 1.0 million – comparing to a net loss of EUR 3.6 million in 2012.

Measured against the forecast for 2013, realized revenues and earnings have not reached the projected level. The main reason for the shortfall is the lower than expected organic growth caused by the issues mentioned above, as well as not realizing some minor acquisitions or small partnerships and the temporarily low funds for marketing spending, which had a substantial impact on our revenues and earnings in the 4th quarter of 2013. We anticipated this development with strongly lowering our staff cost by EUR 1.8 million (-22%). Furthermore Net earnings were also affected from legacy issues. An additional accrual had to be made resulting from a general tax audit by German tax authorities and provisions for a fine in Greece. These issues – both related to former Bob Mobile activities (2007-2011) – added up to about EUR 1 million. These costs were fully included in the 2013 financial statements. With reference to these results, overall 2013 was a difficult year for Cliq Digital, but we are confident that Cliq Digital can now leave its legacy issues behind and fully concentrate on the future.

Cliq Digital is well positioned on the mobile markets with its focus on four pillars: mobile games, apps, software and entertainment. The “Mobile Entertainment” product group markets premium products and services by country-specific content fulfillment portals. Subscriptions are available on a daily, weekly and monthly basis; customers can download realtones, wallpapers, celebrity gossip and more. We promote the products through mobile and desktop Internet. “Mobile Games” generate an important and increasing part of our revenues, they are distributed similar to the “Mobile Entertainment” products. The games are offered mostly as paid premium content but also on Freemium basis, where revenues are generated for example by advertisements and lead generation. During the last year, Cliq Digital evaluated the profitability of the Freemium model in comparison to the Premium Model. Based on the results, we have decided to focus the larger part of the marketing efforts on the Premium model for the foreseeable future.

The “Mobile Apps” product group applications can be downloaded to smartphones and tablet PCs only. The apps cover a wide range of genres, such as dating and lifestyle. Last but not least our “Mobile Software” products comprise high quality functional software apps for smartphones. This includes security software as well as document storage solutions, health and communication apps. Cliq Digital entered several partnerships with the developers of such software tools, for example Kaspersky. These partners benefit from our specialized marketing abilities and gain additional customers on multiple markets.

Cliq Digital provides attractive products for its customers and is a valuable strategic business partner for developers, advertisers and publishers. The management relies on a highly motivated and specialized crew. Our staff creates products that fit to changing customer preferences and also constantly optimizes our platforms and payment solutions. My thanks go to all employees for their great commitment and their work in 2013.

By concluding a new financing agreement with Commerzbank early 2014, we were able to secure lower interest payments and reduce our monthly redemption rates significantly. We are able to fully focus on our core business, and invest stronger than in the past into our marketing activities, which eventually turn into revenues and earnings. Having improved our corporate structures and increased efficiencies we are very confident to grow our business from a very solid base. We will take advantage of our strong market position to growth the revenue again, in our current fiscal year. By increasing our marketing expenses EBITDA will still be under pressure compared to the levels over recent years, but we are confident to lay a strong foundation for a sustainable and profitable growth in the future.

Düsseldorf, June 2014

Luc Voncken
Management Board Chairman

REPORT OF THE SUPERVISORY BOARD

Dear shareholders,

During the past reporting year 2013 the Supervisory Board of Cliq Digital AG thoroughly fulfilled the tasks incumbent upon it according to the law, the company‘s articles of incorporation, and its rules of business procedure. The Supervisory Board continuously supervised the Management Board and advised the board on the strategic orientation and management of the company. The Supervisory Board was involved in all decisions that were of fundamental importance for the Cliq Digital Group; it was convinced that the Management Board worked in a manner that is both legal and purposeful.

The Supervisory Board held a total of thirteen meetings in 2013 of which were five regular meetings and eight extraordinary meetings organized as telephone conferences. The Supervisory Board was informed regularly by the Management Board about the company‘s situation and development, as well as about important business transactions. The mandatory reporting requirements pursuant to Section 90 of the German Stock Corporation Act (AktG) were complied within this context. The ordinary meetings in 2013 were held on 28 January, 11 April, 8 July, 30 August and 13 November. The extraordinary telephone conferences took place on 29 May, 3 June, 18 July, 9 October, 16 December and 23 December, 2013.

Additionally, outside the scope of these Supervisory Board meetings a regular and trusting dialogue between the Management and Supervisory board occurred over the course of the 2013 financial year through verbal as well as written reports. The Management Board has complied with its obligations arising by law and the rules of business procedure and provided the Supervisory Board or its chairman regularly, in detail and promptly in both written and verbal form about all measures and events of relevance for the company. As a consequence, the Supervisory Board was constantly informed about the company‘s business position and business trends, its intended business policy, short- and medium-term business planning, including investment, financial and personnel planning, as well as about the company‘s profitability, organizational measures and the group‘s overall position. This included the detailed coverage of subsidiaries of Cliq Digital AG. A regular flow of information about the company’s risk position and risk management was also part of the regular exchanges.

Focal points of supervisory activity and consulting

At all Supervisory Board meetings the members were present in the minimum number required for passing Supervisory Board resolutions pursuant to the articles of incorporation. As a consequence, at all times the Supervisory Board was able to act and take decisions, and to comply with the duties incumbent upon it according to the articles of incorporation and the law. At the five regular meetings and eight extraordinary meetings the Supervisory Board conducted in-depth discussions of the reports with the Management Board members, and discussed commonly the company's position, revenue and earnings trends, as well as the financial position of the group. Deviations from plans and targets were explained by the Management Board and approved by the Supervisory Board.

In the 2013 financial year, the following significant items were also covered during Supervisory Board meetings:

- Business planning, budgets and Group strategy, financial guidance
- Financial status and financing of the company, in particular amendments of financing with ABN Amro Bank, replacement of ABN Amro Bank as house bank by Commerzbank AG and general financing possibilities of the future
- Capital measures
- M&A activities of Cliq Digital AG, in particular acquisition of Grumbl Media Holding B.V.
- Single-entity and consolidated financial statements as of 31 December 2012
- Internal organization of the company and personnel development
- Composition and remuneration of the Supervisory Board

The Supervisory Board issued the requisite approvals in the following instances:

- Approval and adoption of the single-entity financial statement of Cliq Digital AG as well as the consolidated financial statements for the 2012 financial year
- Approval of issuance of 160.000 new shares against contribution of the shares in Grumbl Media Holding B.V. and the corresponding amendment of the articles of association
- Approval of agenda and date of Annual General Meeting 2013
- Approval of issuance of 335.000 new shares and the corresponding amendment of the articles of association

Personnel matters

The Annual General Meeting of Cliq Digital AG on 30 August 2013 decided to reduce the Supervisory Board from six to three members. The reduction was intended to make the work of the board more efficient and to take into account the size of the Company.

The composition of the Supervisory Board changed in the course of 2013 as follows:

- At the beginning of 2013 the Supervisory Board consisted of the members Dr. Andreas Hoynigg, Karel Gustaaf Tempelaar and Cornelis Herman van der Steenstraten as well as Ruud de Back, Darren Ian Trussel and René van Dijk
- Dr. Mathias Peter Schlichting, Marcus Turner and Niels Walboomers were appointed by the order from 14 June 2013 of the District Court of Düsseldorf as members of the Supervisory Board instead of the previous members Ruud de Back, Darren Ian Trussel and René van Dijk, after they had resigned from the Supervisory Board
- Dr. Mathias Peter Schlichting, member of the Supervisory Board, is elected as Deputy Chairman of the Supervisory Board
- Dr. Andreas Hoynigg resigned from the Supervisory Board with effect from the end of the day before the Annual General Meeting
- Marcus Turner and Niels Walboomers resigned from the Supervisory Board after the Annual General Meeting; Dr. Mathias Peter Schlichting, Karel Gustaaf Tempelaar and Cornelis Herman van der Steenstraten continue to be members; Dr. Mathias Peter Schlichting is newly elected and confirmed by the Annual General Meeting
- Dr. Mathias Peter Schlichting is elected as Chairman and Cornelis Herman van der Steenstraten as Vice Chairman of the Supervisory Board

Due to the structure and size of the company, the Supervisory Board formed no committees.

Composition of the Management Board

- In fiscal year 2013, Luc Voncken served as sole member of the Management Board of Cliq Digital AG.

Single-entity and consolidated financial statements for 2013

The single-entity and consolidated financial statements as of 31 December 2013, as well as the management report and the group management report for the 2013 financial year were prepared by the Management Board and audited by the independent auditor Stephan Kleinmann, Mazars GmbH Wirtschaftsprüfungsgesellschaft (Certified Accounting Firm), who was appointed by the Annual General Meeting and issued an unqualified audit opinion.

The Supervisory Board examined the single-entity and consolidated financial statements as of 31 December 2013, both management reports for Cliq Digital AG and the Group for the 2013 financial year and the Executive Board's proposal for the appropriation of retained earnings, taking into account the audit reports that were prepared by the auditor, and which were dispatched to the Supervisory Board members before the meeting.

At the Supervisory Board's meeting held on 13 May 2014, the Management Board explained the single-entity and consolidated financial statements as of 31 December 2013, the management report and the group management report for the 2013 financial year and the Executive Board's proposal for the appropriation of retained earnings. At this Supervisory Board meeting, the auditor reported on the key results and principles of its audit, and that, following its audit, there were no significant weaknesses to the internal controlling and risk management system. The Supervisory Board has no objections to the single-entity and consolidated financial statements. The single-entity and the consolidated financial statements as of 31 December 2013 were approved as a consequence, the single entity financial statements as of 31 December 2013 is hereby adopted.

The Supervisory Board then passed the following unanimous decisions at its meeting on 16 June 2014: The consolidated financial statements as of 31 December 2013 is approved and thus determined. The single-entity financial statements as of 31 December 2013 is also approved.

The Supervisory Board concurred with the Management Board's proposal concerning the application of non-appropriated retained earnings – to be carried forward to a new account.

Thanks and recognition

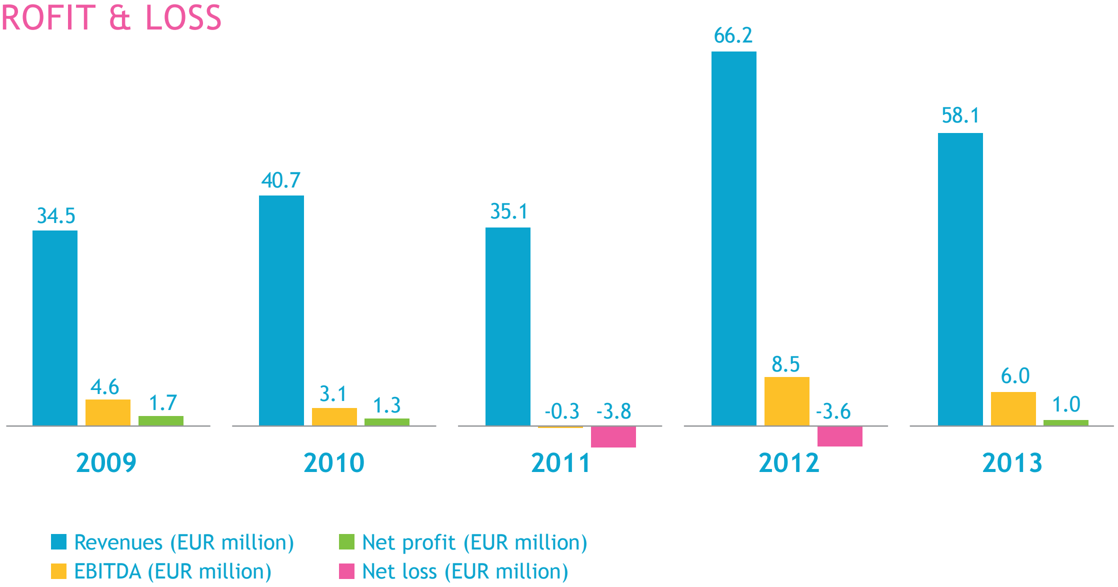
The Supervisory Board thanks Mr. Luc Voncken as well as all employees for their work and dedication for the Cliq Digital AG in the past financial year. The members of the newly composed Supervisory Board will continue serving the company constructively also in 2014 and would like to wish every success to the Management and all Cliq Digital staff members.

Düsseldorf, June 2014

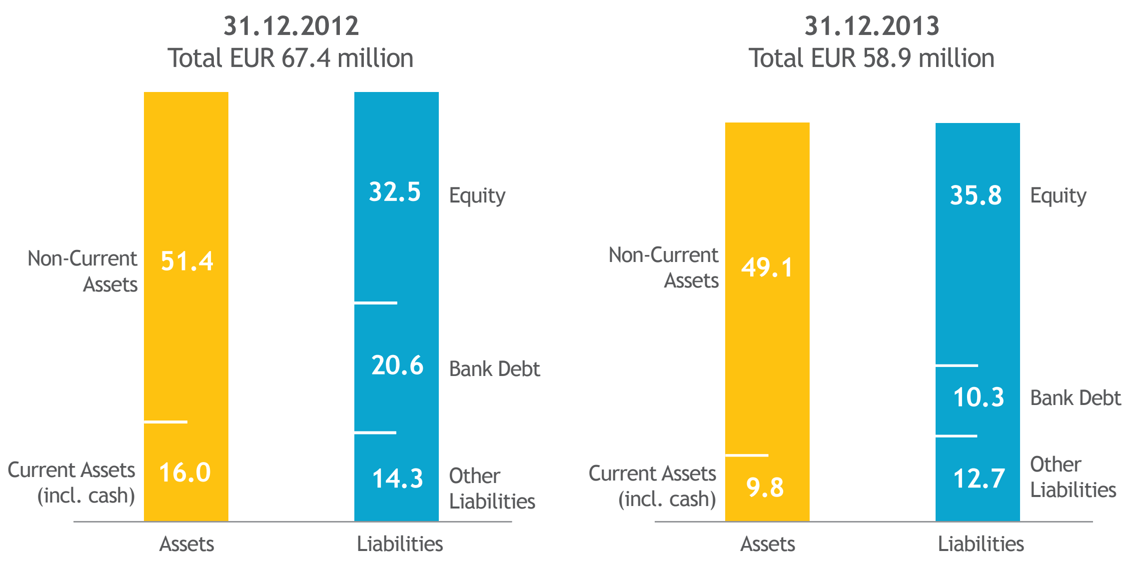
Dr. Mathias Peter Schlichting
Chairman of the Supervisory Board

KEY FIGURES

PROFIT & LOSS



BALANCE SHEET



THE SHARE

Key Data Cliq Digital Share (as of December 31, 2012)

WKN	A0HHJR
ISIN	DE000A0HHJR3
Bloomberg ticker	CLIQ
Number and class of shares	4,445,699 no-par bearer shares
Amount of share capital	EUR 4,445,699.00
Market segment	Regulated unofficial market
Transparency level	Entry Standard
Designated Sponsors	LANG & SCHWARZ Aktiengesellschaft Close Brothers Seydler Bank AG
End of the financial year	December 31

During the 2013 financial year, Cliq Digital shares fell by 39%, closing at EUR 2.93 on 30 December, 2013 (EUR 4.80 on 30 December, 2012). After a largely stabilization between EUR 4.00 and 5.00, the share price decreased substantially after the 2013 guidance was reduced mid November 2013. In 2014, Cliq Digital shares recovered in 2014 by 23% till mid May and stood at EUR 3.60 on 16 May, 2014.

Two capital increases took place in 2013 financial year; the total number of shares is now 4,445,699. In August 2013, Grumbl Media Holding B.V. was acquired against the issuance of 160,000 new shares. In October 2014, Cliq Digital carried out a capital increase from authorized capital and issued 335,000 new shares under exclusion of subscription rights at a price of EUR 5.00 per share in a private placement indirectly to several independent investors. The funds from this capital increase strengthened the liquidity and were used for general corporate financing purposes.

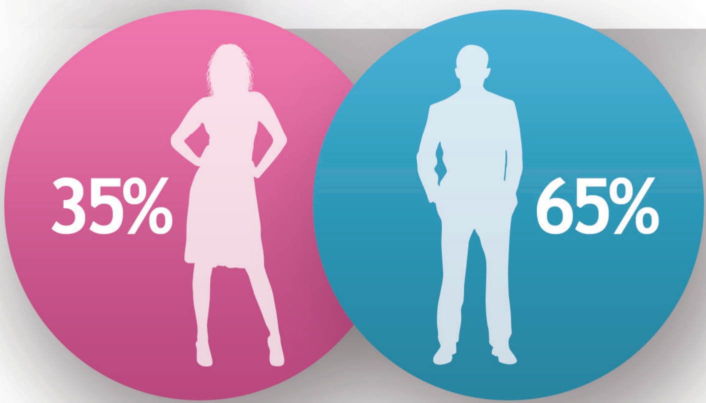
Cliq Digital AG is covered by Warburg Research and Close Brothers Seydler Research. The analyst's research updates are regularly released on Cliq Digital's website.

CLIQ at a glance

total number of employees: **91**

average age: **32**

number of nationalities: **30**



Management Team

Luc Voncken
CEO (vorstand)

- 43 years (1970), Business Economics (Free University Amsterdam)
- 1996-2001, senior positions withinING Bank and ABN AMRO Bank
- 2002, founded Blinck International BV (CEO)
- 13 years experience in new media and TMT sector

Ben Bos
Executive Board Counsel

Thomas Kothuis
Chief Operational Officer

George Ursateanu
Managing Director Products

Marianne Joziasse
Group Controller

Annabel Vloeimans
Head of Legal Affairs

TEAM

group management report

I. BASICS OF THE GROUP

A. Overview

Cliq Digital AG is a leading provider of mobile games, apps, entertainment and software for smartphones, feature phones and tablets. The core business of the company is the direct marketing of its products to end-customers via Internet and mobile Internet in multiple countries. The group was founded in 2005 as Bob Mobile AG. Since November 20, 2012 the company is named Cliq Digital AG and has its legal seat in Dusseldorf, Germany. The shares of Cliq Digital are traded in the Entry Standard of the Frankfurt Stock Exchange.

The current organization of the group has originated from the takeover of the Dutch Cliq B.V. by the former Bob Mobile AG. This transaction was concluded in February 2012. Within the 2012 financial figures Cliq B.V. is therefore consolidated from February 2012 onwards. The integration of both companies coincided with important strategic and organizational changes, which were also related to the rapid development of the markets for mobile and online entertainment. The group‘s revenue and operative profitability were greatly enhanced as a result of the merger and its consequent economies of scale. In 2013 Cliq Digital completed its withdrawal from online browser games, where Cliq Digital had a presence in the Massively Multiplayer Online Games (MMOG) business, and put its sole focus on mobile services. The company has broadened and redefined its spectrum of products offered, whereby the products are now categorized in the following product groups:

MOBILE ENTERTAINMENT

The “Mobile Entertainment” product group markets premium digital mobile products and services through country-specific content fulfilment portals. For a daily / weekly / monthly fee, subscribers can download digital mobile products to their handset. The downloadable items include realtones, wallpapers, celebrity gossip, weather updates, and more. As customers‘ preferences rapidly change, the mobile entertainment products which Cliq Digital markets and offers also change constantly.

The products are promoted through mobile and desktop Internet banners and in-house designed landing pages. When the customer clicks on a banner, he or she will be re-directed to the landing page of the campaign where he or she can subscribe and get access to the content fulfilment portal. Each country has one or more customized content fulfilment portals.

MOBILE GAMES

The "Mobile Games" group generates an increasing part of Cliq Digital's revenue. The majority of the products are offered following the premium model, but some games are set up as a Freemium service. The "Mobile Games" products are offered in a similar way as the "Mobile Entertainment" products. In addition, "Mobile Games" are also offered via proprietary game portals, as well as via external digital shops.

During the year 2013, Cliq Digital performed extensive trials to be able to evaluate the profitability of the Freemium model as compared to the Premium Model. Based on the results of these trials, Cliq Digital has decided that for the foreseeable future the larger part of the marketing efforts will be focused on the Premium model.

MOBILE APPS

The "Mobile Apps" product group focuses on "fun" and engaging applications that can be downloaded to smartphone devices only. The apps cover a wide range of genres, such as amusement, dating, discovery, productivity, lifestyle, travel, sports and social media.

The payment process is integrated in the platform. Customers can make their payment through Premium SMS, Direct Carrier Billing (DCB), Appstore Billing or Internet Service Provider Billing (ISP Billing), depending on the customer's country.

MOBILE SOFTWARE

The "Mobile Software" product group comprises premium-quality functional software applications for smartphones. The software applications were developed by companies who partnered with Cliq Digital to benefit from its specialized marketing abilities and to gain more customers in multiple markets.

For a subscription fee customers can enjoy unlimited access. Payment is made through Premium SMS, DCB, Credit Card, Appstore Billing or PayPal.

Examples of software applications that fall within this category are security products such as Kaspersky software, as well as document storage solutions, health apps and VOIP apps (i.e. apps enabling the delivery of voice communications and multimedia sessions through Internet).

Cliq Digital provides attractive products for its customers and is a valuable strategic business partner for developers, advertisers and publishers. The company is successful in seeking new opportunities to generate revenue with new products and on new geographical markets. The Cliq Digital Group generated EUR 51.8 million of revenue in 2013 (EUR 66.2 million in 2012).

A reduction in personnel and other operating expenses of EUR 11.4 million and a reduction of EUR 6.3 million in depreciation, amortization and impairment charges resulted in a positive operating profit of EUR 2.0 million in 2013 (EUR -1.8 million in 2012). Including interest costs and taxes, the company generated a net profit of EUR 1.0 million in 2013, compared to a net loss of EUR 3.6 million in 2012.

During 2013, Cliq Digital‘s bank debt position was lowered from EUR 20.6 million as of December 31, 2012 to EUR 10.3 million as of December 31, 2013. In the first quarter of 2014 Cliq Digital reached an agreement with Commerzbank replacing ABN Amro as its house bank. Commerzbank and Cliq Digital agreed on a new loan and credit facility, and the ABN Amro loan and credit facility was fully repaid in the first quarter of 2014.

Since October 2012, Luc Voncken, former CEO of Cliq B.V., is CEO and sole board management member of Cliq Digital AG. Luc Voncken was elected for the CEO position for a period of 5 years. Luc Voncken has an indirect ownership of approximately 11% of the Cliq Digital AG shares.

The ordinary annual general meeting in August 2013 decided to reduce the size of the Supervisory Board to three members. Dr. Mathias Schlichting succeeded Dr. Andreas Hoynigg as Chairman of the Supervisory Board. Karel Gustaaf Tempelaar and Cornelius Herman van der Steenstraten continue to be members. The reduction was intended both to make the work of the board more efficiently and to take into account the size of the Company.

B. Structure of the Cliq Digital Group and Participations

The parent company of the group is Cliq Digital AG, Dusseldorf, Germany. Since the third quarter of 2012, all the company‘s holding activities are managed from Dusseldorf. This step has been taken in order to exploit synergies through centralization of the organization, and to thereby structure the group of companies more simply and effectively.

1. PARTICIPATIONS

	Equity intrest in %
Cliq Digital AG, Dusseldorf, Germany	
Bob Mobile Deutschland GmbH, Dusseldorf, Germany	100.00
Bob Mobile Hellas S.A., Attiki, Greece	100.00
Cructiq AG, Baar, Switzerland	100.00
Venga Mobile GmbH, Dusseldorf, Germany	100.00
Rheinkraft Production GmbH, Dusseldorf, Germany	100.00
Imobic GmbH, Dusseldorf, Germany	100.00
Just A Game Hellas S.A. Attiki, Greece	100.00
Bluetiq GmbH (former Just A Game GmbH), Dusseldorf, Germany	100.00
Kraulat GmbH (former GMOB Latam GmbH), Dusseldorf, Germany	100.00
Guerilla Mobile Asia Pacific Pte. Ltd, Singapore	100.00
Capital Games GmbH, Berlin, Germany	100.00
Cliq B.V., Amsterdam, The Netherlands	100.00
Blinck International B.V., Amsterdam, The Netherlands	100.00
Artiq Mobile B.V., Amsterdam, The Netherlands	100.00
Blinck Mobile Ltd., Dublin, Ireland	100.00
Hectiq B.V., Amsterdam, The Netherlands	100.00
Memco B.V., Amsterdam, The Netherlands	100.00
Simiq B.V., Amsterdam, The Netherlands	100.00
thumbr B.V., Amsterdam, The Netherlands	100.00
The Mobile Generation Holding B.V., Amsterdam, The Netherlands	100.00
TMG Singapore PTE Ltd., Singapore	100.00
The Mobile Generation Americas Inc., Toronto, Ontario, Canada	100.00
The Mobile Generation I B.V., Amsterdam, The Netherlands	100.00
Mobtiq B.V., Amsterdam, The Netherlands	100.00
Run The Red Ser. EM, Sao Paulo, Brasil	100.00
GIM Global Investments Munich GmbH, Munich, Germany	100.00
Grumbl Media Holding B.V., Amsterdam, The Netherlands	100.00
Return Media B.V., Amsterdam, The Netherlands	99.00
iDNA B.V., Amsterdam, The Netherlands	100.00

A control and profit-and-loss-transfer agreement between Cliq Digital AG and Bob Mobile Deutschland GmbH is in place as of January 4, 2005.

C. Technologies, Research and Development

Cliq Digital is developing core technology in-house to advertise, deliver and invoice its products. The company is working together with external partners on connections to mobile network operators, on various invoicing methods, as well as on server hosting. Product development (mobile services and games) occurs almost completely externally, partially commissioned by Cliq Digital. Completed and almost completed products are predominately purchased and licensed.

II. BUSINESS DEVELOPMENT

A. Highlights

SOLE FOCUS ON MOBILE ACTIVITIES

The withdrawal from the online browser games business, announced in November 2012, was largely completed in March 2013, when Cliq Digital's subsidiary Just A Game GmbH sold its Browser Games division. The intellectual property in so-called Massively Multiplayer Online Games (MMOG) for PC browsers were acquired by a German company already active in this area. Both parties agreed not to disclose any transaction details. Because the decision to sell Just a Game's assets was made in 2012, the financial consequences were taken into account in the 2012 financial year.

GUERILLA MOBILE MERGED INTO JAG

On April 17, 2013, the company Guerilla Mobile Berlin GmbH merged into the company Just A Game GmbH. The name of Just A Game GmbH was thereafter changed to Guerilla Mobile Berlin GmbH. On September 26, 2013, the name of the company Guerilla Mobile Berlin GmbH was changed to Bluetiq GmbH. The statutory seat of Bluetiq GmbH is Dusseldorf.

FINANCING

In 2012 Cliq Digital agreed on a new banking facility with ABN Amro Bank totalling up to EUR 35 million, which was split into a EUR 25 million term loan and a credit facility up to EUR 10 million. As of December 31, 2012, the outstanding term loan was EUR 15 million, and EUR 5.6 million of the credit facility was utilized. In April 2013 Cliq Digital and ABN Amro Bank agreed upon a framework of proposed amendments to the existing facility agreement. As of December 31, 2013, the outstanding term loan was EUR 6.75 million and EUR 3.6 million of the credit facility was utilized. For reasons of safeguarding the operational cash flow, Cliq Digital investigated refinancing during Q4 2013, in which it succeeded early 2014 by reaching an agreement with Commerzbank replacing ABN Amro as its house bank. The ABN Amro loan and credit facility was fully repaid in the first quarter of 2014.

ACQUISITION OF GRUMBL MEDIA AGAINST NEW SHARES

On August 15, 2013 Cliq Digital completed its acquisition of 100% of the share capital of Grumbl Media Holding B.V. from a private individual shareholder and Grupa Media Holding II B.V. The acquisition was completed against the issuance of 160,000 new shares from Cliq Digital's authorised capital, without any further consideration. The share price of Cliq Digital was EUR 3.99 and therefor the acquisition price for Grumbl Media Holding BV was EUR 638,400. After the registration of the implementation of the capital increase, Cliq Digital's share capital amounted to EUR 4,110,699. Cliq Digital decided to acquire Grumbl in order to have the necessary experienced people and technology in-house for its strategy on monetization of smartphones.

CAPITAL INCREASE

Cliq Digital carried out a capital increase from authorized capital and has issued 335,000 shares in October 2013. From the capital increase Cliq Digital received gross proceeds in the amount of EUR 1,675,000, which served to strengthen liquidity and should be used for general corporate financing purposes. The 335,000 new shares were indirectly placed under exclusion of subscription rights at a price of EUR 5.00 per share with several independent investors (so-called ‚private placement'). After the implementation of the capital increase, Cliq Digital's share capital amounted to EUR 4,445,699.

RED HERRING

In April 2013 Red Herring's Top 100 Europe forum elected Cliq Digital as one of the winners of the European Red Herring Award, a prestigious price honouring the year's most promising technology ventures from the European business region.

FOCUS ON DIRECT RESPONSE MARKETING

From its business activities in the past and its continuous market analysis, Cliq Digital concluded that monetizing digital mobile products by direct response marketing is, for Cliq Digital, the most effective type of marketing (as compared to, for instance, brand marketing or viral marketing). Direct response marketing comprises the placing of advertisements on (mobile) Internet websites which aim at triggering a direct purchasing decision. For Cliq Digital, it will continue to be the most dominant marketing method going forward. In order to increase the effectiveness of the direct response marketing efforts, i.e. increasing the conversion from prospect to customer, efforts will be taken to reduce the barriers for the customer to finalize the purchase. Besides trivial actions to increase conversion, like the optimization of banners and landing pages, Cliq Digital will, depending on the product and country, offer payment methods that enable a smooth payment process.

In order to increase control over marketing actions, Cliq Digital will insource parts of the media buying function.

Overall, 2013 was a difficult year for Cliq Digital in which the revenue and EBITDA forecasts were not met. Marketing activities were reduced due both to less organic growth and low financial flexibility because of the repayment obligations of the term loan with ABN AMRO. Furthermore, revenues were hit by new regulations or disruption in some countries. Additionally, the divestment of the online browser games division caused a reduction in revenue of EUR 2.7 million.

By signing a new financing agreement with Commerzbank, the cash limitations were resolved in Q1 2014. Furthermore, by making the strategic decision in 2013 to focus on direct response marketing of digital mobile products, Cliq Digital regards itself well-positioned for growth in 2014.

B. Economic Environment

1. MACRO-ECONOMIC TRENDS

In 2013 the global economy was characterised by slightly muted growth in most regions. According to current data from the International Monetary Fund (IMF), growth in developed national economies as well as in emerging countries was lower than in the previous year. The IMF reported an increase in the global real gross domestic product (GDP) of 3.0%, compared to an increase of 3.1% in 2012. For 2014 IMF economists predict that the global GDP will grow by 3.7%.[1]

The economy within the Euro zone was able to stem the negative trend from 2012, when the economy shrank by 0.7%. In 2013 economic output fell by 0.4% across all Member States. This reflects again the uncertainty regarding the debt crisis in various countries, especially in Southern Europe. Experts at the statistical office of the European Union (Eurostat) are cautiously optimistic for the current year and predict that the real GDP of the Euro zone will increase by 1.1% – one reason for this is the continued expansive monetary policy of the European Central Bank.[2]

Germany was adversely impacted particularly by the sustained recession in some European countries as well as a slowdown in the growth of the global economy. In 2013 the German economy showed a growth in GDP of 0.4% after an increase of 0.7% in 2012.[3] However, economic momentum should pick up significantly in 2014. According to its current forecast for 2014 the German Federal Government is forecasting that the economy will grow by 1.8% compared to the previous year.[4]

Also the US economy showed slight signs of cooling down last year. Following economic growth of 2.8% in 2012[5] the Fed, the US Federal Reserve Bank, expects an increase in the real GDP for 2013 of between 2.2% and 2.3% compared to the previous year. However, the forecast for GDP growth in 2014 is between 3.0% and 3.4%.[6]

2. TRENDS IN THE MOBILE CONTENT SECTOR

The digital mobile products market growth is largely fuelled by the advancement in mobile devices with high-end multimedia functionalities and continuous product innovations. In addition, the increase in mobile bandwidth and the rising popularity of mobile devices among the elderly population are also adding to the growth of the market.

Due to the rapid evolution, the high dynamics and the young age of the market for digital mobile products, the results of analyses and forecasts substantially deviate. In any case, all analyses conclude that the market for digital mobile products will further grow with two-digit annual growth rates in the foreseeable future, pointing out the above-average development of the mobile games segment.

According to an American study,[7] the global digital mobile products market was worth USD 6.5 billion in 2011 and is expected to reach USD 18.6 billion in 2017, growing at a compounded annual growth rate (CAGR) of 19.0% from 2011 to 2017. In the overall digital mobile products market, mobile games were the largest market segment with a revenue share of 53.3% in 2011. The segment will further consolidate its position with a 61.7% market share in 2017.

[1] International Monetary Fund (IMF), World Economic Outlook Update, 21 January 2014 | [2] Eurostat, growth rate of real GDP, as of 17 January 2014 | [3] Federal Statistical Office of Germany (DESTATIS), press release, “Moderate growth in the Germany economy in 2013”, 15 January 2014 | [4] Federal Ministry of Economy and Energy, Annual Economic Report 2014, 12 February 2014 | [5] International Monetary Fund (IMF), World Economic Outlook Update, 21 January 2014 | [6] Board of Governors of the Federal Reserve System, Minutes of the Federal Open Market Committee, 17 December 2013 | [7] http: / / www.prweb.com / releases / 2014 / 01 / prweb11460025.htm, making reference to: Transparency Market Research “Mobile Content Market - Global and the U.S. Industry Analysis, Size, Share, Trends and Forecasts, 2011 – 2017”

The global mobile games market was worth USD 3.5 billion in 2011 and is expected to reach USD 11.4 billion in 2017 with a CAGR of 21.9% from 2011 to 2017.

According to a further study from UK investment bank Digi-Capital,[8] in 2012 the global revenue generated in the market for mobile apps and games amounted to EUR 15 billion. The revenue for 2013 is expected to amount to EUR 25 billion, and it is forecasted that this will amount to EUR 70 billion in 2016, whereas the major part of the revenue is generated in Asia. Within the last years, the market for mobile games as a segment of the mobile apps market grew over-proportionally: in 2013 approximately 72% was generated by mobile games (as opposed to only 40% in 2010).

The global mobile apps market is closely connected with the global market for smart phones, tablets and other mobile devices. From 2008 to 2017, a CAGR of 37% for the smart devices market is forecasted. While the number of smart devices amounted to approximately EUR 1.6 billion in 2013, it will increase to approximately EUR 3.7 billion in 2017.[9] It is further forecasted that this increase will even accelerate. While in 2012 722.5 million smartphones were sold worldwide, this number is expected to increase in 2013 to 1,013.2 million and in 2017 to 1,733.9 million.[10] It is anticipated that the number of potential consumers for mobile apps – and in particular for mobile games – will increase accordingly.

3. MARKET POSITION

The mobile content market is characterised by a large amount of different types of companies, each playing their own role in the mobile content marketplace. Some companies focus on generating mobile content, or mobile payment solutions, while other companies focus on the distribution of mobile content, or, like Cliq Digital, focus on the Direct Marketing of mobile content. Compared to other companies involved in the direct marketing of mobile content, Cliq Digital considers itself one of the top 10 players in this market, next to, amongst others, Buongiorno SpA, Jesta Digital GmbH, NeoMobile SpA, Zed Worldwide, S.A and TIM W.E. SGPS, S.A.

C. Business Report

1. BUSINESS DEVELOPMENT

The Cliq Digital Group generated a revenue of EUR 51.8 million in 2013 (versus EUR 66.2 million in 2012).

As a result of the focus on sustainable margins in each country, a reduction in personnel and the execution of other cost savings, there was a positive operating profit of EUR 2.0 million in 2013 (EUR -1.8 million in 2012). Including interest costs and taxes, a net profit of EUR 1.0 million was generated in 2013, compared to a net loss of EUR 3.6 million in 2012.

During 2013, Cliq Digital‘s bank debt position was lowered from EUR 20.6 million as of December 31, 2012 to EUR 10.3 million as of December 31, 2013. Redemption payments and interest payments to ABN Amro were made according to the (renegotiated) agreements.

[8] Digi-Capital, Global Games Investment Review – Q3 2013 Update – Executive Summary, October 2013 | [9] Digi-Capital, Global Games Investment Review – Q3 2013 Update – Executive Summary, October 2013 | [10] Statista, http://de.statista.com/statistik/daten/studie/12865/umfrage/prognose-zum-absatz-von-smartphones-weltweit/

During the first quarter of 2014 a reorganization of financing came into effect, replacing ABN Amro with Commerzbank as Cliq Digital's house bank. Commerzbank's new facility comprises a term loan of EUR 6.75 million, with a monthly redemption of EUR 187.500 as of March 31, 2014, and an overdraft facility up to EUR 7.0 million. The ABN Amro loan and credit facility was fully repaid in Q1 2014.

With the new financing agreement in place, Cliq Digital's financial position (equity and debt) is sufficient to finance its business operations and further growth.

Cliq Digital is using both financial and non-financial indicators to monitor and manage its business. Financial and non-financial performance indicators are measured continuously and are part of the monthly reports to the Management Board. These reports include an analysis of actual figures and their variances from planned figures and previous year figures by country. Reports by defined product groups are being developed. Additional specific analyses are performed on an event-driven basis.

The financial performance indicators used to manage the business performance of Cliq Digital are revenue, media spend and EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization). Furthermore, the ARPU (Average Revenue per User), the CPA (Costs per Acquisition) and the number of sales are the most important non-financial KPI's. ARPU and CPA are the determining factors in the decision-making process whether or not to invest in certain products / markets.

Compared to the forecast for 2013, realized revenues have not reached the projected level of EUR 70.0 million. The main reasons for the shortfall are a lower than expected organic growth, changes in regulations or disruptions, a reduction in marketing spend due to cash limitations and the divestment of the online browser games division. As a direct consequence of not reaching the forecasted revenues, the realized EBITDA also ended below forecast.

2. EMPLOYEES

The Group employed an average of 115 employees in the 2013 financial year (versus 148 employees in 2012). The reduction of 33 employees was mainly caused by the sale of the online game division. On the reporting date of December 31, 2013, the Group employed 69 employees on a full-time basis and 25 on a part-time basis, equivalent to 88 FTE in total.

Personnel costs amounted to EUR 6.2 million in 2013, compared to EUR 8.0 million in 2012. Personnel costs accounted for 12.2% of the total costs in the 2013 financial year (11.7% in 2012).

3. REPORT ON RESULTS OF OPERATIONS, NET ASSETS AND FINANCIAL POSITION

a) Results of Operations

<u>(1) Revenue and Earnings Development</u>

In the ninth financial year since its foundation (from January 1, 2013 to December 31, 2013), Cliq Digital generated a revenue of EUR 51.8 million (versus EUR 66.2 million in 2012), a 22% decline in revenue. Marketing activities were reduced due to less organic growth and due to low financial flexibility because of the repayment obligations of the term loan with ABN AMRO. Furthermore revenues were hit by new regulations or disruptions in some countries (UK, Singapore and Spain), and not being able to enter the US market due to new regulations. Additionally, the divestment of the online browser games division caused a reduction in revenue of EUR 2.7 million.

Other operating income of EUR 0.9 million is realized related to exclusivity deals in some countries by some subsidiaries of Cliq Digital and one of Cliq Digital's business partners. These exclusivity deals will have no consequence for Cliq Digital's operations going forward.

The revenue per continent is shown hereunder:

Territory	Revenue 2013 EUR million	% of Gross Revenue	Revenue 2012 EUR million	% of Gross Revenue
Europe	29,7	57%	43,5	66%
Asia	10,7	21%	8,4	13%
Australia	3,7	7%	6,9	10%
Africa	3,1	6%	1,3	2%
South America	2,9	6%	0,7	1%
North America	1,7	3%	5,4	8%
TOTAL	**51,8**	**100%**	**66,2**	**100%**

Due to the reduction in marketing spend, a close monitoring of the operational costs, a reduction in staff, and lower depreciation and amortization connected with the takeover of Cliq B.V. (compared to 2012), the reduction in revenue was more than compensated by the overall cost reduction, resulting in an operating profit of EUR 2.0 million in 2013.

The IFRS consolidated financial statements consolidate 100% of the profits and losses of Cliq Digital AG and its subsidiaries.

For the 2014-2015 period Cliq Digital expects to generate a revenue of at least EUR 10 million related to current customer contracts.

(2) Earnings and Costs Trends

Earnings

Gross Earnings

Cliq Digital generated positive gross earnings of EUR 13.4 million in 2013 (EUR 22.2 million in 2012). The main costs were attributable to the media area at EUR 12.5 million (EUR 15.2 million in 2012), and direct costs for technology, licenses, invoicing, transfer and content at EUR 25.8 million (EUR 28.8 million in 2012).

EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)

Cliq Digital achieved a positive operating result before interest, tax, depreciation and amortization (EBITDA) of EUR 6.0 million in 2013 (versus EUR 8.5 million in 2012).

Indirect costs were reduced to EUR 8.7 million in 2013 (EUR 14.4 million in 2012). The indirect costs to revenue ratio changed from 22% (in 2012) to 17% (in 2013).

As a result of the lower than planned revenue, mainly in the third and fourth quarter of 2013, EBITDA fell short of the company's own targets in 2013.

Profitability (EBIT and Net Income)

The depreciation and amortization costs decreased from EUR 10.4 million in 2012 to EUR 4.0 million in 2013, mainly due to the lower amortization of the customer base of Cliq B.V. The consolidated EBIT for 2013 amounted to EUR 2.0 million (EUR -1.8 million in 2012) and the consolidated net profit for 2013 amounted to EUR 1.0 million (net loss of EUR 3.6 million in 2012).

Costs

The personnel costs amounted to EUR 6.2 million in 2013, compared to EUR 8.0 million in 2012, thereby accounting for 12.2% of the total costs in 2013 (11.7% in 2012).

Other operating expenses which came in at EUR 40.9 million (EUR 50.4 million in 2012) contain especially the following positions:

EUR million	2013	2012
Media purchasing	12.5	15.2
Costs for technology and licenses	25.8	28.8
Other non operating expenses	2.6	6.4
	40.9	**50.4**

Depreciation and amortization in 2013 accounted for EUR 4.0 million (EUR 10.4 million in 2012), mainly reflecting the scheduled amortization on the customer of Cliq B.V.

Media Purchasing

Efficient media purchasing – in other words, controlling advertising expenditures – is highly important for Cliq Digital. It comprises one of the most important variables for the acquisition of new customers, and the efficiency of new customer acquisition, and consequently for future revenue growth and profitability. The utilization of mobile Internet advertising is becoming increasingly important. Available, efficient advertising volumes are becoming larger.

Costs for Invoicing, Technology and Licenses

The costs for technology, mainly expenses for network operators and gateways, which provide the technical connections with the network operators, are almost completely variable. For example, the share of end-customer revenue that goes to the network operators ranges from 29 % in The Netherlands to more than 60 % in some other countries. Although the vast majority of Cliq Digital's revenue is collected via the mobile operator, a small share of the revenue is collected using alternative payment options, like credit card billing. The fees for credit card billing are significantly lower than for mobile operator billing.

The products that are marketed by Cliq Digital are mainly licensed from third parties. A minority of products is developed in-house or is being developed by other companies commissioned by Cliq Digital. A dedicated team within Cliq Digital explores and investigates the digital mobile product market and is tasked to select and contract parties who can deliver relevant mobile digital products for Cliq Digital. As a result of licensing content, as opposed to developing proprietary content, the licensing costs develop in the same pace as Cliq Digital's revenue.

Cliq Digital has other cost of sales, for instance in the customer care and community management area. Customer satisfaction forms the focus of interest in these areas. In this context, the company generally shows a lot of flexibility and goodwill where reimbursements are concerned. It is particularly important to take customers' wishes into account and to take these into account when further developing products and licensing new products.

The costs for invoicing, technology and licensing include an addition to the provision on a Greek fine dating from 2011, related to a Greek subsidiary of the former Bob Mobile AG.

Financial Income and Expenses

The negative result for Financial Income and Expenses in 2013 was EUR -1.5 million, slightly better than the EUR -1.7 million in 2012.

Taxes on Income

The effective tax rate is impacted by the different national tax regulations of the countries of Cliq Digital's subsidiaries. Furthermore the effective tax rate is impacted by tax loss carry forwards. Overall, the effective tax rate for 2013 amounts to -/-134 % (2012: -3.1 % relating to the amounts of the loss). For a detailed analysis on the tax situation, see note (8) of the Financial Statements.

Currently a general tax audit is conducted by the German tax auditors regarding the business years 2007-2011 on the former Bob Mobile AG and its subsidiaries. As of December 31, 2013, a provision for the estimated risk has been taken into account.

b) Net Assets

(1) Intangible Assets

Cliq Digital reported EUR 45.4 million of intangible assets as of December 31, 2013 (EUR 47.6 million in 2012). The most important component of intangible assets was goodwill (EUR 43.2 million) which was increased by EUR 0.4 million as a result of the acquisition of Grumbl Media Holding B.V. Internally generated intangible assets were increased by EUR 0.3 million, the balance of new investments in software of EUR 1.1 million and amortization of EUR 0.8 million. In 2013 the customer base of Cliq B.V. was amortized from EUR 3.6 million to EUR 0.8 million.

(2) Tangible Assets

The Cliq Digital Group reported EUR 0.6 million of tangible fixed assets as of December 31, 2013 (EUR 0.7 million in 2012). These particularly comprise office furniture and PCs. An amount of EUR 0.2 million was invested in the financial year elapsed, and depreciations amounted to EUR 0.3 million in 2013.

(3) Deferred Tax Assets

Deferred tax at Cliq Digital amounted to EUR 3.1 million as of December 31, 2013, compared to EUR 3.0 million as of December 31, 2012. The valuation of deferred tax has been subjected to detailed analysis. The analysis clarified the fact that the capitalized deferred tax can be utilized in the future. No deferred tax assets were formed for the tax losses of which carry-forwards are uncertain.

(4) Trade Receivables

Trade receivables amounted to EUR 2.7 million as of December 31, 2013, compared to EUR 5.7 million in the previous year. Other receivables amounted to EUR 6.8 million as of December 31, 2013 (December 31, 2012: EUR 7.7 million). In this context, the most important components remaining are EUR 3.7 million for receivables arising from services that have not yet been invoiced, EUR 0.9 million of taxes, and EUR 0.7 million of advance payments.

(5) Cash and cash equivalents

Cash in hand and cash at banks amounted to EUR 0.3 million as of December 31, 2013 (December 31, 2012: EUR 2.7 million).

c) Financial Position

(1) Principles and Objectives of Financial Management

The financial management of CLIQ is organized centrally at group level. The company pursues value-oriented financial principles in order to secure liquidity at all times and also to minimize any financial risks. Cliq Digital also aims for a balanced profile in terms of due dates and maturities. Financing requirements are calculated using budgets and cash flow plans, and are constantly adjusted on the basis of actual figures.

Activities at Cliq Digital currently focus on investments in growth and core competencies.

(2) Cash Flow

Cliq Digital generated in 2013 a cash flow from operating business of EUR 7.2 million (EUR 7.2 million in 2012). The cash flow from investing activities amounted to EUR -1.0 million (EUR -22.2 million in 2012) mainly caused by investments in software. The cash flow from financing activities in 2013 amounted to EUR -8.6 million (EUR +15.5 million in 2012). This is the netting of the repayment of EUR 8.3 million of the term loan from ABN AMRO Bank, the reduction of EUR 2.0 million in the used credit facility and the increase in cash with EUR 1.7 million as a result of the issuing of new Cliq Digital shares.

The net cash flow for the year 2013 amounted to EUR -2.4 million (EUR 0.5 million in 2012).

(3) Equity and Debt

Equity

Cliq Digital reported EUR 35.8 million of equity as of December 31, 2013 (EUR 32.5 million in 2012). The company‘s share capital amounts to EUR 4,445,699.00 , which consists of 4,445,699 listed shares.

The company held 4,000 treasury shares as of December 31, 2013 (compared to 4,000 in the previous year). The capital reserves have increased during 2013 by EUR 1.8 million and currently stand at EUR 45.9 million (December 31, 2012: EUR 44.1 million).

The loss carried forward of EUR 15.5 million as of December 31, 2012, decreased to a loss carried forward of EUR 14.5 million as a result of the profit of EUR 1.0 million incurred in 2013. Cliq Digital AG reports a share capital consisting of 4,445,699 shares following the latest capital measures in 2013 financial year. No dividend was paid for the 2012 financial year. The dividend was waived due to strategic investments, the repayments of the debt and the net loss in the 2012 financial year.

Debt Financing

In 2012 Cliq Digital agreed on a new banking facility with ABN Amro Bank totalling up to EUR 35 million, which was split into a EUR 25 million term loan and a credit facility up to EUR 10 million. As of December 31, 2012, the outstanding term loan was EUR 15 million, whereas EUR 5.6 million of the credit facility had been utilized. In April 2013, Cliq Digital and ABN Amro Bank agreed upon a framework of proposed amendments to the existing facility agreement. Amongst other things, one of the important amendments of this agreement is lowering the monthly repayment from EUR 1 million to EUR 0.75 million. As of December 31, 2013, the outstanding term loan was EUR 6.75 million and EUR 3.6 million of the credit facility had been utilized. For reasons of safeguarding the operational cash flow during Q4 2013, Cliq Digital investigated refinancing, in which it succeeded early 2014 by reaching an agreement with Commerzbank to replace ABN Amro as its house bank. The ABN Amro loan has been fully repaid in the first quarter of 2014. The conditions associated to the new loan agreement are as follows: a term loan of EUR 6.75 million with an interest rate of Euribor +345 basis points and a redemption payment of EUR 187,500 per month from March 2014 until February 2016 and a bullet payment of EUR 2.25 million in February 2016, and an overdraft facility up to 7.0 million with an interest rate of Euribor +295 basis points.

Other liabilities compose of other non-financial liabilities of EUR 3.8 million (December 31, 2012: EUR 3.8 million) and other financial liabilities of EUR 4.7 million (2012: EUR 2.8 million). The latter is fully related to shareholder loans.

The Group‘s financial foundation (equity and debt) is sufficient to finance its business operations and further growth. The company will strive for a balance between a prudent financial framework and investments in its business.

(4) Investments in Intangible and Tangible Fixed Assets

The net financing requirement in the investment area amounted to EUR 1.8 million in 2013 (EUR 57.4 million in 2012). This includes an amount of EUR 0.6 million of first consolidation of Grumbl Media Holding B.V. and expenses for software and / or platforms for the provision and invoicing of services (EUR 1.0 million). An amount of EUR 0.2 million was invested in tangible assets (EUR 1.0 million in 2012).

Investments which cannot be included in the schedule of changes to non-current assets, but which are instead recognized as operating expenses, include in particular:

- Expenses for the establishment of a highly technically-qualified workforce,
- Media costs relating to the creation of the subscription base,
- Expenses for internationalization and new segments.

III FORECAST, OPPORTUNITIES AND RISK REPORT

A. Outlook

By increasing the available funds for marketing and by increasing the focus on the four product groups, the company expects to increase the number of sales. By optimizing and increasing the marketing efforts in high ARPU and high margin countries the blended ARPU (Average Revenue Per User) is expected to show a slight increase. Due to the above the company expects that the revenue will show a double-digit growth. The expected change in country mix will not only lead to higher ARPU's, but as a consequence the CPA is also expected to increase slightly. Due to higher marketing investments, the EBITDA is expected to remain at its level of 2013.

Development of key performance indicators

	2013	Target 2014
Number of Sales	2,906 K	Increase
ARPU	EUR 13.29	Slight increase
Media Spend	EUR 12.5 million	Strong increase
CPA	EUR 4.14	Slight increase
Revenue	EUR 51.8 million	Double digit growth
EBITDA	EUR 6.0 million	Stable

Compared to 2013, where low financial flexibility had a restrictive effect on the marketing spend, Cliq Digital expects to strongly increase its marketing spend and lay the foundation for future revenue growth.

B. Opportunities Report

USAGE OF SMARTPHONES

The market for mobile content is largely influenced by the technical capabilities of handsets / smartphones, the increase in bandwidth, and the ability for more and more people on the globe to be always online. As smartphones play a more and more important role in people's lives it is a huge opportunity for Cliq Digital as a marketer and distributor of content and functional software for smartphones. Cliq Digital follows a strategy to rely on third-party content instead of being limited by a development team of its own. This enables Cliq Digital to expand its product portfolio with a minimal time to market and without the need to build up in-depth knowledge required to develop successful products in new segments. The experience Cliq Digital has in licensing third-party content makes Cliq Digital a well-positioned party to enter a large variety of new areas.

AVAILABILITY OF CONTENT

Cliq Digital's heterogeneous target market requires that Cliq Digital offers a wide variety of products. Instead of building up a large creative and product development department, Cliq Digital made the decision to focus on marketing and selling licensed content, and to a lesser extent on purchased content. A dedicated team within Cliq Digital continuously explores and investigates the digital mobile product market and is tasked to select and contract parties who can deliver relevant mobile digital products for Cliq Digital.

Especially due to the growing penetration of smartphones, Cliq Digital expects an increased supply and demand for functional software applications for mobile devices. Therefore Cliq Digital will, in its efforts to select and license the right content for its customers, increase its focus on this segment of the digital mobile products market.

INCREASING THE GLOBAL FOOTPRINT

In the last years, Cliq Digital has gained a broad experience in successfully expanding to new markets. Cliq Digital has developed well-established methods and instruments to reliably target,analyse, and successfully enter new markets. It will continue to use its experience to expand its business to other countries which have a promising customer base for considerable profits.

Overall, Cliq Digital sees sufficient opportunities for the profitable direct marketing of digital mobile products in multiple geographical markets.

C. Report and Information in accordance with Section 315 (2) of the German Commercial Code (HGB)

The risk management methods and measures set up by Cliq Digital aim to identify developments that jeopardize the company as a going concern at an early juncture. The reliability of the accounting and reporting systems as well as the compliance with the internal guidelines and legal regulations should be guaranteed by the internal control system which has been installed. A further target of the system is to increase the operating efficiency of the company.

RISK MANAGEMENT AND METHODS

Cliq Digital organized the structure of the individual business units based upon the knowledge gained by the risk management evaluations made. Moreover, we have adapted the work processes to the knowledge obtained. For example, Cliq Digital pays attention to a consistent separation of incompatible activities and in addition Cliq Digital has introduced appropriate control ranges. Furthermore, Cliq Digital places a high value on the non-overlapping of responsibilities. The clear allocation of responsibilities and controls when preparing the financial statements, and appropriate access regulations in the IT systems of relevance to the financial statements, comprise key control elements in accounting. Simultaneously, Cliq Digital has integrated controls into the work processes. The "4 eyes" principle ensures that no major process goes unchecked.

Cliq Digital has developed systems, methods and committees to implement and secure its business. These aim to allow the Managing Board to recognize any operating and financial risks at an early stage. It aims to ensure that critical information is passed on to the management directly and in good time. The Cliq Digital Group prepares annual budgets and quarterly reforecasts based upon the experiences and forecasts of the managers responsible. Regular monthly comparisons of actual and target outcomes allows divergences to be calculated, and countermeasures to be taken where required. A similar approach is applied to liquidity planning. The Business Intelligence System (BIS) has been further improved on the basis of the merger with Cliq B.V. in 2012. As a consequence, almost all important variables can be monitored in real-time. Risk management is based partly on internal financial accounting figures and partly on the BIS. Risk management is also conducted on the basis of regular meetings and management reporting. The aim of risk management is to generate an extensive overview of risks, as well as to identify them and correctly evaluate them at an early stage, in order to rapidly respond to them with appropriate measures.

The risk management system is based upon the following basic principles and objectives:

- Rapid overview of the actual risk situation within the Group
- Risk-oriented concentration on key business areas and processes, as well as requisite controls consistent disclosure and addressing of loopholes
- Implementation which is cost-aware and pragmatic, and which does not entail unnecessary bureaucracy
- Standardized perspective and approach for all controlling-relevant subareas

Cliq Digital utilizes a management and controlling system to measure, monitor and control business growth and risks. Existing potential risks are monitored on an ongoing basis, and adequate activities to limit risks are put in place where possible. The daily measurement of efficiencies (media, products and technical efficiency) is very important for Cliq Digital, since this serves as the basis for optimization, thereby allowing advertising measures and profitability to be managed.

DEALING WITH KEY POTENTIAL RISKS

Cliq Digital‘s operational management is directly responsible for the early recognition, controlling and communication of risks. This allows the company to respond to potential risks both rapidly and comprehensively. The risk policy is geared to the aim of increasing the company‘s value in the long term.

D. Risks

MORE INTENSE COMPETITIVE ENVIRONMENT

The economic environment in the market of digital mobile products is highly competitive. Cliq Digital faces various competitors in its entire business. It is exposed to the risk of increased competition by other companies who are currently active in associated markets and / or decide to expand to directly market digital mobile products due to the expected high growth rates of this market. It is possible that some of Cliq Digital‘s competitors have significantly greater financial resources, better financing opportunities or higher technical resources and are therefore able to win market share from Cliq Digital. In addition, it is possible that competitors source, develop and offer products or services which are superior to Cliq Digital‘s products and services, or which may achieve greater market acceptance. Some competitors may also have more experience in marketing their products.

Furthermore, the barriers to entering the market of digital mobile products are low, since sourcing, developing and offering such products do not necessarily require voluminous investments or a complex technical infrastructure.

DEPENDENCY ON TECHNICAL DEVELOPMENTS:

The market of digital mobile products is a business subject to quick change. It is characterized by rapidly-changing technologies, frequent introductions of new or amended products and fast-changing customer demands. For customers, Cliq Digital competes primarily on the basis of quality, the popularity of the marketed products and customer reviews. The success of Cliq Digital highly depends on the Company's ability to duly anticipate and recognize new trends and developments in the use of digital mobile products, to continuously improve its offered digital mobile products to keep them attractive, to offer new products at the right time, to rapidly react on changing customer demands, and especially to attract and keep a considerable number of customers who are willing to pay for the products offered by Cliq Digital. For this purpose, Cliq Digital has to spend significant resources on market research and analysis, as well as on marketing to introduce new digital mobile products. Decisions about these matters must often be made well in advance of product releases in order to timely implement them. Cliq Digital's success therefore depends, in part, on unpredictable and volatile factors beyond its control, including consumer preferences, competing digital mobile products, new mobile platforms and the availability of other entertainment activities. Furthermore, Cliq Digital is dependent on developers and the quality of their products and their willingness and ability to continuously improve them.

DEPENDENCY ON NETWORK OPERATORS, TECHNICAL SERVICE-PROVIDERS AND INVOICING PARTNERS

When marketing its products, Cliq Digital is dependent on external service providers. In particular, mobile network operators play an important role in the provision and invoicing of mobile and interactive services. The network operators' services include to a certain extent the billing of Cliq Digital's mobile products through telephone invoices and prepaid accounts, for which they receive a substantial part of the overall payments to be made by the end-customers. If such network providers change the technical framework or the financial terms of their services to the detriment of Cliq Digital, Cliq Digital may not be able to pass on such disadvantages to its customers. Additional risks arising from the co-operation with network operators are contractual penalties and temporary or structural failures of platforms, systems, data and settlement systems.

In addition, the involvement of technical service providers (for instance gateways which provide the connections to the network operators) always bears the risk of temporary or structural failures of platforms, systems, data and settlement systems. Further, the solvency of service providers themselves bears a separate risk which could affect, in particular, Cliq Digital's ability to receive payments through the network operator's customer billing practice.

Besides mobile network providers, Cliq Digital uses other payment methods and payment partners, e.g. PayPal, which also entail risks in connection with revenue losses or liability risks, for example due to settlement failures, hacker attacks or any failure of the service providers to meet their financial commitments towards Cliq Digital.

TIGHTER LEGAL REQUIREMENTS AND REGULATION

Cliq Digital is confronted with increasing requirements under telecommunication laws and regulations, in particular an increasing level of laws for the protection of consumers. The markets for digital mobile products are young, characterized by permanent technical and commercial innovations and show strong growth. There is a tendency of certain governments, legislators, consumer protection associations, mobile network operators, data protection authorities and other authorities in some of the countries in which Cliq Digital markets its products, to increasingly restrict regulations in certain areas that are relevant to Cliq Digital's business activities. Here, the risk of overregulation always exists, or even the discontinuation or banning of certain services or business models. Due to the advancing tightening of regulations, Cliq Digital must respond to these changes, and partially adjust its own business model accordingly. Shutdowns, fines or bans comprise particular risks in this respect. It is also important to respond quickly and adequately to such rapidly changing regulations.

DEPENDENCY ON END-CONSUMERS AND TRENDS

End-consumers, particularly young people, like to follow new trends. In other words, customers may no longer accept products that are popular today. This can have a negative effect on media efficiencies (e.g. the costs per new customer), price sensitivity, cancellation rates, prepaid credits, sales per customer, and products' market acceptance. The general economic situation can also strongly impact seasonality, price sensitivity, and target groups' purchasing power. Deterioration of the economic situation, for example through a widening of the financial crisis, or a collapse in consumer confidence, can have a negative effect on the company's revenue and profitability. The company can come under pressure due to a decline in customers' (potential) purchasing power. Consumers can also switch to other products or offerings due to technology convergence.

DEPENDENCY ON CONTENT PROVIDERS

Content-providers enjoy strong positions of power in certain areas, and can influence the business and its profitability. Particularly in the music area, in some countries differences of opinion prevail concerning the ownership of rights to the marketing of ring tones, and of music clips and music videos, and concerning different market participants (music publishers, the GEMA, recording industry companies, and aggregators). Mergers and international concentration are also occurring among content-providers. Some individual market participants own important and successful rights (e.g. games licenses, name rights, technical patents). Depending on the provider, price increases, minimum fees, or even restrictions or exclusions of particular providers can always occur. In the area of online games and mobile games, games are utilized which are licensed by third parties. License terms, cooperation, and, in particular, further technical developments represent important elements in this context, all of which can lead to complications.

DEPENDENCY ON MEDIA COMPANIES

The cooperation with media partners and the purchase of advertising space is very important to the business of Cliq Digital. Legal or factual changes in the availability of media and advertising space (including through programming, broadcasters' orientation, regulation) could adversely influence Cliq Digital's business. Also, Cliq Digital must rely on the use of the marketing materials by its media partners being compliant with local laws, in order to avoid administrative fines, shutdowns or any other negative consequences. In addition, an increase in costs for advertising space could require that Cliq Digital either increases its media and advertising budget or cuts back its media activities, which could result in a diminished visibility for customers. Also, intensified media and advertising activities of competitors could challenge Cliq Digital's ability to defend its market position.

DEPENDENCY ON SOFTWARE, IT SYSTEMS AND NETWORKS

Business operations, particularly the management of the range of services substantially relies on its in-house developed software and external software. It also relies on centralized, standardized information technology systems and networks to support business processes, as well as internal and external communication systems. Software, systems and networks are potentially vulnerable to errors, virus attacks, damages, interruptions and security threats from a variety of sources. The precautionary measures adopted by Cliq Digital could prove insufficient to exclude the risks related to software, systems and network disruptions and threats, to outages in a data centre and / or telecommunications networks utilized by Cliq Digital's systems, to any security breaches or to any similar event.

DEPENDENCY ON MANAGERS AND STAFF

The future achievement of Cliq Digital's strategic and operating goals depends on the ability to recruit qualified expert employees and executives and to retain them in the company in the long term. Intense competition in the market for digital mobile products has resulted in a shortage of qualified employees who have the necessary knowledge of the market, and the Company is in vigorous competition with its competitors for qualified employees.

RISKS RELATING TO ACQUISITIONS

Cliq Digital intends to grow also by further acquisitions of businesses, companies and equity interests in companies. Such transactions, in particular the acquisition of entire enterprises, bear the risk that Cliq Digital – despite a thorough due diligence exercise – overestimates the potential yield and synergies, but underestimates the transaction risks and, as a consequence, pays an excessive purchase price.

CASH FLOW RISK

Cliq Digital operates in a capital-intensive market where sufficient media budgets are required to realize forecasted revenue growth. The forecasted operational cash flow is sufficient to make the redemption payments associated to the current loan agreement with Commerzbank, as well as to make the necessary investments in media. However, if, for whatever reason, the operational cash flow is lacking, the agreed redemption scheme with Commerzbank might limit Cliq Digital in re-investing sufficient funds in media-buying, impacting the growth potential of Cliq Digital.

RECEIVABLES DEFAULTS

Most of Cliq Digital's receivables are due from a number of technical service-providers and network operators. The company could encounter financial shortfalls or problems if one of these partners encountered payment difficulties, or failed to pay for other reasons. Payment defaults by other customers (both in Germany and abroad), as well as a refusal to pay on the part of end-customers, represent a receivables default risk.

FINANCING WORKING CAPITAL THROUGH PREPAYMENTS

Cliq Digital is generally required to pay media companies in advance. However, network operators, payment providers and technical service providers generally pay very late. A part of this financing gap is financed through prepayments from partners, and potentially also through factoring in the future. The discontinuation of these prepayments without replacement funding, or the discontinuation of factoring financing, would make it more difficult to implement Cliq Digital‘s growth strategy, and could have significant negative effects on the company‘s financial position and results of operations.

BANK FINANCING

The business operations of Cliq Digital are financed to a substantial degree through debt financing. Therefore Cliq Digital is dependent on the absence of substantial increases in interest rates. Furthermore, at some point in the future, Cliq Digital must rely on being able to obtain refinancing at adequate terms.

DEPENDENCY ON MACRO ECONOMIC DEVELOPMENTS

Cliq Digital is subject to macroeconomic risks caused by the volatility of worldwide economic conditions. For example, concerns persist regarding the debt burden of certain Euro zone countries and their ability to meet future financial obligations, the overall stability of the euro and the suitability of the euro as a single currency, given the diverse economic and political circumstances in individual member states. An unfavourable economic development, be it on a regional or worldwide level, could result in a weak growth or even in market downturns, high unemployment, currency instability, increased counterparty credit risk and high levels of volatility, as well as other outcomes that might adversely impact Cliq Digital‘s business.

YOUNG MARKETS

Statistical data on market shares, growth rates and revenues of providers of mobile and interactive value-added services are mainly based on estimates of market research institutes or on research of the providers themselves. Since the markets are young and dynamic, it is quite difficult to make accurate estimates. This is also due to the fact that there are no precise definitions of the market areas. Therefore, there is no reliable information available about the market size and the growth rates, actual or potential competitors or market trends.

RISKS RELATING TO RIGHTS OF THIRD PARTIES

Cliq Digital markets digital products for mobile devices which are mostly developed by external persons and enterprises. Since Cliq Digital in most cases does not participate in the development process, its ability to prevent violations of third parties‘ intellectual property rights is limited. This concerns patents, copyrights and trademarks in particular, as well as any other intellectual property rights. When distributing digital mobile products, which infringe upon such rights, Cliq Digital could inadvertently infringe upon third parties‘ intellectual property rights, too.

RISKS RELATING TO VAT, TRADE TAX AND CORPORATION TAX LOSS CARRIED FORWARDS

Cliq Digital is subject to income tax in various countries. Significant judgment is required in determining the worldwide provision for income tax, and, in the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. Cliq Digital is also required to estimate its tax obligations for the future.

Moreover, changes in tax legislation of the various jurisdictions Cliq Digital is subject to, especially with regard to a possible limitation on the offsetting of loss carry-forwards, could have adverse effects on Cliq Digital. Although they are not on a cash basis, deferred tax income and expenses can also have a substantial influence on consolidated profits.

Deferred tax income can also result from recognizing tax loss carry-forwards as an asset in the consolidated balance sheet.

HOLDING COMPANY AND LIABILITY RISK

Cliq Digital AG is liable for Bob Mobile Deutschland GmbH on the basis of a profit-and-loss-transfer agreement. Bluetiq GmbH, GMOB Asia Pacific Pte. Ltd., Kraulat GmbH, Bob Mobile Hellas S.A., Capital Games GmbH, Cliq B.V., Blinck International B.V., Artiq Mobile B.V., Blinck Mobile Ltd., Hectiq B.V., Memco B.V., Simiq B.V., The Mobile Generation Holding B.V., Mobtiq B.V., Run The Red Ser. EM, TMG Singapore PTE Ltd., The Mobile Generation Americas Inc., The Mobile Generation I B.V., thumbr B.V., Cructiq AG, Grumbl Media Holding B.V., Return Media B.V., iDNA B.V., Imobic GmbH, Just A Game Hellas S.A., Rheinkraft Production GmbH, GIM Global Investments Munich GmbH and Venga Mobile GmbH comprise wholly-owned subsidiaries. Cliq Digital AG acts as a supplier to these companies, and, in some cases – such as in the case of international master agreements with service providers – as the main contractual partner. As the parent company, Cliq Digital AG partially assumes liability and guarantees, as well as the adoption of losses. Cliq Digital AG's business also entails various liability risks. Liability risks can arise, for example, through customers and partners as the result of products which are not received, which are defective, as well as through viruses. License providers, rights administrators, content sellers, content producers and brand owners can also give rise to risks as the result of licenses and rights that have not been acquired legally, or which have not been clarified. Media companies, network operators and other partners can give rise to risks as the result of erroneous invoices, system breakdowns, non-compliance with media or other regulations and / or agreements. Liability situations can also arise from regulators and consumer associations.

Above risks are frequently monitored via Cliq Digital's risk management system and monthly reporting system. Cliq Digital foresees an increasing impact of tighter legal requirements and regulations. Special attention is given to this subject to mitigate this risk.

Overall, it can be assumed that the risks have no implications for the going concern of Cliq Digital.

IV. REPORTING PURSUANT TO SECTION 315 (2) OF THE GERMAN COMMERCIAL CODE (HGB)

The following important events in the initial months of the 2014 financial year require notification:

Early 2014, Cliq Digital reached an agreement with Commerzbank replacing ABN Amro as its house bank. The ABN Amro loan and credit facility has been fully repaid. The conditions associated to the new loan agreement are as follows: a term loan of EUR 6.75 million with an interest rate of Euribor +345 basis points and a redemption payment of EUR 187.500 per month as of March 31, 2014, and an overdraft facility up to EUR 7.0 million with an interest rate of Euribor +295 basis points.

May 9, 2014

The Management Board
Luc Voncken

consolidated balance sheet

ACCORDING TO IFRS AS OF DECEMBER 31, 2013

ASSETS in EUR thousand	Note	31 / 12 / 2013	31 / 12 / 2012
Non-current assets			
Intangible assets		**45,445.8**	**47,641.5**
Internally generated intangible assets	10	1,478.7	1,167.4
Other intangible assets	10	-	3.8
Customer base	10	750.5	3,630.8
Prepayments rendered on other intangible assets	10	-	80.7
Goodwill	10	43,216.6	42,758.8
Tangible assets		**599.2**	**717.9**
Plant, operating and office equipment	11	599.2	717.9
Other assets (if residual term > 1 year)		**-**	**3.8**
Deferred tax assets	15	**3,060.0**	**3,000.0**
Total non-current assets		**49,105.0**	**51,363.2**
Current assets			
Receivables		**2,720.5**	**5,678.0**
Trade receivables	12	2,720.5	5,603.0
Receivables from companies in which the company has a participating interest	13	-	75.0
Miscellaneous receivables and other assets	14	**6,752.9**	**7,679.5**
Other assets (if residual term < 1 year)		6,752.9	7,679.5
Cash and cash equivalents	16	**276.6**	**2,677.9**
Total current assets		**9,750.0**	**16,035.4**
Total assets		**58,855.0**	**67,398.6**

EQUITY AND LIABILITIES in EUR thousand	Note	31 / 12 / 2013	31 / 12 / 2012
Equity			
Subscribed capital	17	**4,445.7**	**3,950.7**
Less: treasury shares	17	-4.0	-4.0
Total subscribed capital	17	4,441.7	3,946.7
Capital reserve	17	45,878.2	44,112.8
Consolidated equity generated by the parent company	17	-14,541.2	-15,537.0
Total equity		**35, 778.7**	**32,522.5**
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15	505.2	1,185.4
Other liabilities (if residual term > 1 year)	20	-	1,900.0
Total non-current liabilities		**505.2**	**3,085.4**
Current liabilities			
Other provisions	19	1,274.4	1,797.4
Bank borrowings	20	10,326.7	20,600.0
Trade payables	20	**2,424.3**	2,751.0
Other liabilities	20	**8,545.7**	6,642.3
Total current liabilities		**22,571.1**	**31,790.7**
Total liabilities		**23,076.3**	**34,876.1**
Total equity and liabilities		**58,855.0**	**67,398.6**

consolidated statement of comprehensive income

ACCORDING TO IFRS FOR THE FINANCIAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2013

in EUR thousand	Note	2013	2012
Revenue	1	51,784.7	66,233.1
Other work performed by the enterprise and capitalized	2	419.6	386.2
Other operating income	3	900.0	400.3
Personnel expenses	4	-6,245.9	-8,034.5
Wages and salaries		-5,574.6	-7,039.3
Social contributions		-671.3	-995.3
Depreciation, amortization and impairment charges	5	-4,031.8	-10,368.1
Amortization and impairment charges applied to intangible assets	10	-3,701.2	-9,768.5
Depreciation and impairment charges applied to tangible assets	11	-265.6	-398.9
Depreciation and impairment charges applied to tangible financial fixed assets		-25.3	-162.6
Depreciation, amortization and impairment charges applied to current assets		-39.7	-38.1
Other operating expenses	6	-40,856.5	-50,435.2
Operating profit / loss		1,970.1	-1,818.3
Net financial result		-1,536.7	-1,653.7
Other interest and similar income	7	466,4	264.9
Interest payments and similar expenses	7	-2,003.1	-1,918.6
Profit / loss on ordinary business activities		433.4	-3,472.0
Taxes on income	8	74.6	-2,669.9
Deferred taxes	8	507.3	2,563.6
Other taxes	8	-	-0.1
Consolidated group result		1,015.3	-3,578.2
Profit / loss attributable to Cliq Digital AG shareholders		**1,015.3**	**-3,578.2**

Number of shares for calculation of basic earnings per share (in thousands)		4,071.9	3,663.9
Number of shares for calculation of diluted earnings per share (in thousands)		89.6	130.3
Basic earnings per share (in EUR)	9	0.25	-0.98
Diluted earnings per share (in EUR)	9	0.24	-0.94

cash flow statement

ACCORDING TO IFRS FOR THE FINANCIAL YEAR FROM JANUARY 1 TO DECEMBER 31, 2013

in EUR thousand		2013	2012
1.	Net profit / loss for the period (including earnings attributable to non-controlling shareholders)	1,015.3	-3,578.2
2.	+ Depreciation and amortization	3,992.1	10,330.0
3.	+ Increase in provisions	-1,203.2	-1,847.5
4.	- / + Other non-cash income	-59.7	50.0
5.	+ / - Decrease / increase in trade receivables and other assets not attributable to investment or financing activities	3,960.1	6,049.9
6.	- / + Decrease / increase in trade payables and other liabilities not attributable to investing or financing activities	-462.5	-3,771.1
7.	**= Cash flow from operating activities**	**7,242.1**	**7,233.1**
8.	+ Payments received from disposals of intangible assets	84.5	138.9
9.	- Payments for investments in intangible assets	-993.2	-836.6
10.	+ Payments received from sale of tangible assets	32.8	19.9
11.	- Payments for investments tangible assets	-170.9	-369.2
12.	- Payments from the acquisition of consolidated companies and other business units	5.2	-21,152.5
13.	**= Cash flow from investing activities**	**-1,041.6**	**-22,199.5**
14.	+ Proceeds from additions to equity	1,671.4	0.0
15.	+ Proceeds from drawing down on financial loans	-	30,600.0
16.	- Payments for the repayment of financial loans	-10,273.3	-15,101.4
17.	**= Cash flow from financing activities**	**-8,601.9**	**15,498.6**
18.	**Net change in cash and cash equivalents**	**-2,401.4**	**532.2**
19.	+ Cash and cash equivalents at the start of the period	2,677.9	2,145.7
20.	**= Cash and cash equivalents at the end of the period**	**276.6**	**2,677.9**

statement of changes in equity

ACCORDING TO IFRS AS OF DECEMBER 31, 2013

	Parent company			
in EUR thousand	Subscribed capital ordinary shares	Capital reserve	Consolidated retained earnings	Equity as per consolidated balance sheet
Balance as of January 1, 2012	**1,688.2**	**6,030.2**	**-3,636.9**	**4,081.5**
Issue of shares	2,262.5	38,032.6	-	40,295.1
Personnel expenses due to stock options	-	50.0	-	50.0
Miscellaneous changes	-	-	-8,321.9	-8,321.9
Net profit / loss for the period	-	-	-3,578.2	-3,578.2
Balance as of December 31, 2012	**3,950.7**	**44,112.8**	**-15,537.0**	**32,526.5**
Issue of shares	495.0	1,814.8		2,309.8
Dividends paid	-	-	-	-
Personnel expenses due to stock options		-49.4	-	-49.4
Miscellaneous changes	-	-	-19.5	-19.5
Net profit / loss for the period	-	-	1,015.3	1,015.3
Balance as of December 31, 2013	**4,445.7**	**45,878.2**	**-14,541.1**	**35,782.7**

Parent company		Non-controlling shareholders			
Treasury shares not designated for withdrawal	Equity	Minority interests	Other neutral transactions	Equity	Consolidated equity
-4.0	**4,077.5**	**2,093.9**	**19.0**	**2,112.9**	**6,190.4**
-	40,295.1	-	-	-	40,295.1
-	50.0	-	-	-	50.0
-	-8,321.9	-2,093.9	-19.0	-2,112.9	-10,434.8
-	-3,578.2	-	-	-	-3,578.2
-4.0	**32,522.5**	**-**	**-**	**-**	**32,522.5**
-	2,309.8	-	-	-	2,309.8
-	-	-	-	-	-
-	-49.4	-	-	-	-49.4
-	-19.5	-	-	-	-19.5
-	1,015.3	-	-	-	1,015.3
-4.0	**35,778.7**	**-**	**-**	**-**	**35,778.7**

notes to the financial statements

GENERAL INFORMATION

The Cliq Digital Group is a leading provider of mobile games, apps and software, which is available primarily on smartphones, feature phones and tablets.

The Group conducts its development activities in multiple countries.

The Group parent company is Cliq Digital Aktiengesellschaft (hereinafter referred to as “Cliq Digital”), which is headquartered at Immermannstrasse 13, 40210 Dusseldorf, Germany. The company is entered in the commercial register of the Amtsgericht Dusseldorf (Commercial Register Sheet 69068). The shares of Cliq Digital AG are listed on the Frankfurt Stock Exchange in the Open Market segment, forming part of the Entry Standard. Pursuant to Section 2 (5) of the German Securities Trading Act (WpHG), the Open Market does not comprise an organized or regulated market. The guidelines for Deutsche Börse AG‘s regulated unofficial market form the basis for including securities in the Open Market (Entry Standard). As a consequence, Cliq Digital AG is not a capital market-oriented company pursuant to Section 264d of the German Commercial Code (HGB), and is also not obligated pursuant to Section 315a of the German Commercial Code (HGB) to prepare consolidated financial statements on the basis of International Financial Accounting Standards (IFRS). Due to characteristics relating to size, Cliq Digital AG overall is not statutorily obligated to prepare consolidated financial statements, whether it be on the basis of German accounting standards, or IFRS. These consolidated IFRS financial statements are prepared voluntarily, to provide investors with additional financial information in line with capital markets expectations and to fulfill disclosure obligations to Deutsche Börse AG under the General Terms and Conditions of Deutsche Börse AG for the Open Market of the Frankfurt Stock Exchange.

The Group‘s financial year starts on January 1 and ends on December 31 of each calendar year.

Cliq Digital AG‘s functional currency and reporting currency is the Euro. These consolidated financial statements are prepared in Euros since this is the currency in which most of the Group‘s transactions are realized. Reporting is in thousands of Euros (EUR thousand), unless otherwise stated.

In order to improve the clarity of presentation, various items in the consolidated balance sheet and consolidated statement of comprehensive income are reported on a summarized basis. These items are presented and explained separately in the notes to the consolidated financial statements. The statement of comprehensive income is presented according to the nature of expense method.

Application of international financial reporting standards (IFRS)

In this version, these consolidated financial statements correspond with the regulations of Section 315a of the German Commercial Code (HGB). This forms the legal basis for Group financial accounting according to IFRS in Germany together with EC Directive No. 1606 / 2002 of the European Parliament and Council of July 19, 2002, concerning the application of international accounting standards, and is applicable for financial years commencing on or after January 1, 2005.

Cliq Digital prepared its consolidated financial statements as of December 31, 2013 according to full IFRS. In these consolidated financial statements all IFRSs were applied which were relevant, and which were approved by the European Commission as of December 31, 2013 as part of the “endorsement” process relating to mandatory application that was envisaged for this purpose.

The following standards and revisions of standards by the IASB, which were approved by the IASB in the current reporting period or in previous reporting periods, did not yet require mandatory application for the current reporting period, and were also not take into consideration in the 2013 financial year:

Standard / interpre-tation	Content of the amendment	Publication by the IASB	Mandatory application	Adoption by the EU	Prospective effects on Cliq Digital
IFRS 9	Financial Instruments Removes the multiple classification and measurement models for financial fixed assets required by IAS 39 and introduces a model that has only two classification categories: amortised cost and fair value.	11 / 2013	1 / 1 / 2017	No	No
IFRS 10	Consolidated Financial Statements: investment entities	10 / 2012	1 / 1 / 2014	No	No
IFRS 11	Joint arrangements: investment entities	10 / 2012	1 / 1 / 2013	No	No
IFRS 12	Disclosure of Interests in Other Entities: investment entities	10 / 2012	1 / 1 / 2014	No	No
IFRS 14	Regulatory Deferral-Accounts (interim Standard)	01 / 2014	1 / 1 / 2016	No	No
IAS 27	Financial Statements: investment entities	10 / 2012	1 / 1 / 2014	No	No
IAS 32	Financial Instruments: Presentation and Disclosure Offsetting Financial Assets and Financial Liabilities	05 / 2013	1 / 1 / 2014	No	Not material
IAS 36	Recoverable amount. Disclosures for non-financial assets	05 / 2013	1 / 1 / 2014	No	No
IAS 19	Employee benefits Changes a number of disclosure requirements for post employment arrangements and restricts the options currently available on how to account for defined benefit pensions plan.	11 / 2013	1 / 7 / 2014	No	Not material
IAS 39	Financial Instruments: Recognition and Measurement Derivatives designated as hedging instruments	11 / 2013	1 / 1 / 2014	No	No
IFRIC 21	Levies	05 / 2013	1 / 1 / 2014	No	No

We intend to take into account in our annual consolidated financial statements the standards, interpretations and amendments presented in the table above if they require mandatory obligation pursuant to European Union regulations. At the time when the notes to these consolidated financial statements were prepared, we anticipate no effects on the consolidated financial statements of Cliq Digital AG from the regulations that have not yet been applied early.

Consolidation methods

CONSOLIDATION SCOPE

The Group financial statements as of December 31, 2013 basically include those companies in which Cliq Digital directly or indirectly holds the majority of voting rights (hereinafter also called "subsidiaries"), or from which it is able to derive the greater part of the economic benefit and bears the greater part of the risks by virtue of its power to govern corporate financial and operating policies. The inclusion of the company accounts of such companies into the consolidated Group financial statements begins at the date on which control pursuant to IAS 27.13 was obtained by Cliq Digital and ends at the date when control is not being exercised any more.

In the fiscal year 2013 the group of consolidated companies increased by:

- Grumbl Media Holding B.V., Amsterdam, The Netherlands, and its group companies

Company	Registered Office	Country	Interest
iDNA B.V.	Amsterdam	Netherlands	100.00%
Return Media B.V.	Amsterdam	Netherlands	100.00%

On August 15, 2013 Cliq Digital acquired all shares in Grumbl Media Holding B.V., Amsterdam, Netherlands (hereinafter named "Grumbl" or "subsidiary"). The total purchase price of the shares of Grumbl amounts to EUR 638.4 thousand and is completed against the issuance of 160,000 new shares from Cliq Digital's authorized capital, without any further consideration. With effect from August 15, 2013, (the date of the legal transfer of ownership on the shares) Cliq Digital obtained 100% of the voting rights of Grumbl. The contribution in kind of all shares of Grumbl was measured at the fair value of the transferred shares of Cliq Digital since the value of these transferred shares could be measured more reliably.

In connection with the business combination of Grumbl, a goodwill in the amount of EUR 457.8 thousand was recognized. The goodwill arising between the purchase price and net assets measured at its fair value of EUR 180.6 thousand represents expected advantages in relation to the monetization of smartphones strategy of Cliq Digital. We assume that the goodwill is not tax deductible.

The book values and fair values of recognized identified assets acquired and liabilities assumed and deferred taxes of the business combination are disclosed on the level of its balance sheet positions:

EUR thousand	Notes	08 / 08 / 2013
Cash and cash equivalents	16	5.2
Other tangible or intangible assets	10-15	309.5
Liabilities	15,19,20	-134.1
=Net assets		**180.6**

Since the business combinations with the subsidiaries of Grumbl Media Holding B.V. (see chart above) are each not material all above given information has been disclosed in aggregate on the level of the consolidated Grumbl Media Holding B.V. Group.

In April 2013 Just A Game GmbH and Guerilla Mobile Berlin GmbH (Gmob GmbH) merged. The merger was carried out with retrospective fiscal effect to August 31, 2012. This merger has resulted in the dissolution of Gmob GmbH without liquidation. The name of the remaining company was changed into Bluetiq GmbH.

The entities Guerilla Mobile Greece Ltd., Athens, Greece, and GMOB Brasil SOLUCOES PARA TELEFONIA MOVEL LTDA, Sao Paulo, Brasil, both 100% subsidiaries of the former Guerilla Mobile Berlin GmbH, have been liquidated in 2013.

The number of consolidated companies in fiscal 2013 changed as follows:

	Germany	The Netherlands	Other countries	Total
January 1, 2013	9	10	10	29
Acquisitions	-	3	-	3
Mergers	-1	-	-	-1
Liquidations	-	-	-2	-2
December 31, 2013	**8**	**13**	**8**	**29**

Please refer to Note 26 in these notes to the consolidated financial statements for the listing of the Group‘s shareholdings pursuant to Section 313 (2) of the German Commercial Code (HGB).

CONSOLIDATION PRINCIPLES

These consolidated financial statements are based on uniform Group regulations as of December 31, 2013, and the annual financial statements of the companies included in the Group for the comparable period as of December 31, 2012.

Business Combinations are applied in accordance with IFRS 3. According to IFRS 3, business combinations are to be accounted for using the purchase method, whereby the acquired assets, liabilities and contingent liabilities are recognized at fair value. The positive difference between the purchase costs of the corporate merger and the interest in the fair value of the recognized assets, liabilities and contingent liabilities is reported as goodwill.

In the case of mergers arising from January 1, 2010 (transition date IFRS), minority interests are also calculated as the fair values of the assets, liabilities and contingent liabilities (full goodwill method).

Mutual receivables and liabilities between the companies included in the financial statements, intragroup income and expenses, and intragroup profits and losses arising from intragroup deliveries, are eliminated. Deferred taxes were recognized for earnings-effective consolidation transactions where required.

CURRENCY TRANSLATION

In the separate financial statements of consolidated companies prepared in local currency, foreign-currency transactions are reported with the cash rates prevailing on the transaction date. Monetary items denominated in foreign currencies (cash and cash equivalents, receivables and liabilities) are measured at the cash mid-rate prevailing on the balance sheet date. Exchange-rate gains and losses arising from the measurement or unwinding of the monetary items are reported in the statement of comprehensive income. Non-monetary items are recognized at historic rates.

Pursuant to IAS 21, annual financial statements prepared in foreign currencies are translated into euros according to the functional currency concept. The functional currency is the currency in which a foreign company predominantly generates its cash inflows, and makes payments. Since the Group companies operate their businesses independently from a financial, economic and organizational perspective, the functional currencies are generally identical with the respective national currencies. The respective national currency of the subsidiaries included in the consolidated financial statements of Cliq Digital AG is the euro. As a consequence, the euro is utilized as the functional currency for Cliq Digital AG and the subsidiaries included in the consolidated financial statements.

General accounting and measurement priciples

The consolidated financial statements are prepared on the basis of standard Group accounting and measurement methods. The accounting and valuation principles have been retained unchanged compared to the previous year.

Assets and liabilities have been valued at historical acquisition / production cost, with the exception as far as relevant of financial instruments classified as “financial asset or financial liabilities at fair value through profit or loss” and derivatives, which have been included at their fair value.

ASSUMPTIONS AND ESTIMATES

When preparing the consolidated financial statements, assumptions and estimates are made that affect the level and recognition of the recognized assets and liabilities, income and expenses, and contingent liabilities.

These assumptions mainly relate to the standard Group determination of the economic useful lives of intangible assets, and of property, plant and equipment.

The estimates which are applied significantly affect the calculation of discounted cash flows as part of impairment tests, other provisions, and the extent to which future tax reliefs can be realized.

Estimates are based on empirical values and assumptions which are valid as of the balance sheet date, and which are regarded as appropriate under the given circumstances. They are based on the future business trend that is deemed to be the most likely. Developments among banks and providers of similar services, as well as the corporate environment, are also taken into account. The estimates and the underlying assumptions are reviewed continuously. Nevertheless, the actual values can diverge from the assumptions and estimates in individual cases if the aforementioned general circumstances differ on the balance sheet date compared to how they were expected to develop. Changes are carried through profit and loss on the date when better information is gained, and the assumptions are adjusted accordingly.

Concerning the assumptions that are made, and the estimates that are applied, please refer to further remarks in this section, as well as to the further reaching comments relating to the statement of comprehensive income and the balance sheet, as well as those relating to other information.

- **Revenue**

Revenue from the transfer of utilization rights for mobile handset applications and games is reported as soon as the inflow of an economic benefit arising from the sale is sufficiently likely, and the level of revenue can be determined reliably. No revenue is reported if significant risks exist relating to the receipt of the consideration, or if the customer is unable to realize the utilization right for reasons for which the customer does not bear responsibility.

If the transfer of utilization rights comprises a determinable partial amount for several or consecutive payments (multi-component agreements), the assignable revenue is deferred, and released through profit and loss over the duration of the utilization right. Such releases are generally performed in line with the rendering of services.

Revenues are generally reported at the fair value of the consideration received, or to be received, after deducting VAT and other taxes, as well as after deducting sales reductions such as bonuses or rebates.

Research and development costs

Pursuant to IAS 38, research costs cannot be capitalized. Development costs must be capitalized if certain and precisely designated preconditions exist. Accordingly, capitalization is always required if the development work is sufficiently likely to result in a future inflow of financial resources which also cover the corresponding development costs above and beyond normal costs. Various criteria set out in IAS 38.57 must be cumulatively satisfied with regard to the development project, the application to be developed, and platform components be developed.

Development costs for applications or platform components are recognized at cost if the assignable expenditures can be measured reliably, and both technical feasibility and successful marketing are ensured. It must also be sufficiently likely that the development work will generate future economic benefit. Capitalized development costs include all costs directly attributable to the development process including development-related overhead costs. Capitalized development costs are generally amortized from the production start across the expected product life-cycle, generally comprising 3 to 5 years.

A significant portion of development costs within the Group comprise further developments and improvements of already existing applications and platform components, which fail to satisfy the criteria for separate capitalization as development costs pursuant IAS 38. In addition, individual development projects are frequently subject to approval and certification procedures so that the conditions for capitalization of costs arising before approval are frequently not satisfied.

Borrowing costs

Borrowing costs are expensed on the date when they are incurred. The direct allocation of borrowing costs to the purchase or manufacturing of a qualified intangible asset, which could accordingly generate purchase or manufacturing costs, is not performed.

Taxes

Taxes on income comprise both current and deferred taxes. Such taxes are reported in the statement of comprehensive income, unless they relate to items that are reported directly in equity. In such instances, the corresponding taxes are carried directly to equity.

Current taxes on income comprise the taxes expected to be paid for the year based on the tax rates prevailing in the respective year, as well as any corrections to prior years‘ taxes.

Deferred tax is recognized for temporary differences between the tax values of assets and liabilities, and their amounts as recognized in the consolidated financial statements. Deferred tax assets are also recognized for the future utilization of tax loss carryforwards. Deferred tax assets on temporary differences and loss carryforwards are recognized at the level at which it is likely that sufficient taxable income will be available in future in order to utilize them. Deferred taxes are recognized at the tax rates which are currently valid for the period or applicable in the future in the individual countries as of the balance sheet date, and on which the temporary differences will prospectively be reversed, or on which the loss carryforwards will prospectively be utilized.

Deferred tax assets are netted with deferred tax liabilities if entitlement to the offsetting of actual taxes exists, and the items relate to taxes on income which are levied by the same tax authorities, and which arise at the same company, or within the same tax entity.

Intangible assets

Intangible assets are recognized at cost and, since the useful lives can be categorized as limited (except goodwill), they are amortized straight-line over their respective useful lives, with exception of the customer base. It is amortized based on the average expected lifetime of the subscription of these customers. Where indications exist that intangible assets are impaired, and an impairment test is subsequently performed, an impairment loss is reported if required. If the reasons for the impairments no longer apply, corresponding reversals of impairment losses are carried through profit and loss up to a maximum of the amortized cost.

The maximum duration of amortization for industrial property rights and licenses is five years.

Amortization and impairment losses applied to intangible assets are reported in the consolidated statement of comprehensive income under the “Amortization and impairment charges applied to intangible assets” item.

As in the previous year, no reversals were made to impairment losses applied to intangible assets. No borrowing costs were capitalized for intangible assets in the financial year elapsed.

In accordance with IFRS 3, amortization is not applied to goodwill to be recognized in the case of this and future corporate mergers. Instead, only impairment losses are applied if determined. It should be noted already that any impairment losses incurred on goodwill cannot be reversed in subsequent reporting periods.

Tangible assets

Tangible assets are recognized at cost less depreciation and impairment losses. Tangible assets were not re-measured in line with the IAS 16 option.

Where indications exist that tangible assets are impaired, and an impairment test is subsequently performed, an impairment loss is reported if required. If the reasons for the impairments no longer apply, corresponding reversals of impairment losses are carried through profit and loss up to a maximum of the amortized cost.

Cost comprises the purchase price, incidental purchase costs, and subsequent purchase costs less any purchase price reductions received.

Other plant, operating and office equipment is predominantly depreciated over a period of between three and five years. Straight-line depreciation is applied to tangible assets in line with the economic useful life.

Current year depreciation and impairment losses are reported in the “Depreciation and impairment charges applied to tangible assets” item in the statement of comprehensive income.

Costs for repairing property, plant and equipment, such as maintenance expenses, are generally carried through profit and loss.

As in the previous year, no reversals of impairment losses applied to tangible assets were performed in the year under review. No borrowing costs were capitalized for tangible assets in the financial year elapsed.

Impairment

With the exception of deferred tax assets (see taxes), and financial assets (see financial instruments), the carrying amounts of the Group‘s assets are examined as of the balance sheet date as to whether indications of impairment exist as per IAS 36. If such indications exist, the recoverable amount of the asset is estimated, and impairment losses, if required, are expensed.

Goodwill arising on acquisitions exists as a result of the merger with Cliq B.V. in the financial year 2012 and the acquisition of Grumbl Media Holding B.V. in the fiscal year 2013. The retention of the value of this goodwill was confirmed through an impairment test conducted on the balance sheet date. The impairment test is based on the calculation of the realizable value of the cash-generating units based on their value in use. This calculation uses cash flow projections based on management approved, two year financial plans. The cash flow projections are discounted following the Discounted Cash Flow (DCF) method at pre-tax interest rates of 9.72 % (previous year: 8.58 %)

Fair value measurement

In accordance with IFRS 13 Fair Value Measurement, for financial instruments which are measured at fair value, the valuation method should be disclosed. The different levels within IFRS 13 have been defined as follows:

Level1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group Controller is responsible for the valuations of the concerning assets and liabilities required for financial reporting purposes. The Group Controller reports directly to the CEO. Discussions of valuation processes and results are held between the Group Controller and the CEO at least once every quarter, in line with the group's quarterly reporting dates.

The assets and liabilities acquired from Grumbl as per August 8, 2013 and the goodwill on Grumbl capitalized as a result of purchase price accounting are measured at fair value. Reference is also made to Consolidation Methods sub Consolidation Scope where the Grumbl acquisition is described in more detail. For the fair value measurement of these assets and liabilities (net value kEUR 180.6) and the goodwill (kEUR 457.8) level 2 as described above is used.

Leasing

According to IAS 17, a lease is an agreement where the lessor transfers to the lessee the right to utilize an asset for an agreed period in return for payment, or a series of payments. A differentiation is made between finance leases and operating leases. Finance leases comprise leases where the lessee essentially bears all risks and opportunities connected with the ownership of the asset. All other leases are designated as operating leases.

In the case of an operating lease, Cliq Digital expenses the lease installment to be paid as lessee.

If Cliq Digital is a lessee in a finance lease, the lower of the fair value and the present value of the minimum lease payments at the start of the lease is capitalized on the balance sheet, and the liability is recognized under bank borrowings at the same time. The minimum lease components primarily comprise financing costs and the repayment share of the residual liability. The leased object is depreciated over the estimated useful life of the contractual duration, whichever is shorter. The lease installments repaid are split into a repayment component and interest expenses according to the effective interest method.

All leases are classified as operating leases at the time of the transition to IFRS and subsequently.

Other receivables and liabilities

Non-financial assets and liabilities, as well as deferred and accrued items, and prepayments, are recognized at amortized cost.

Financial instruments

Basic principles

Financial assets are reported if Cliq Digital is entitled to a contractual right to receive cash, cash equivalents, or other financial assets from another party. Financial liabilities are reported as soon as Cliq Digital is obligated to transfer to a third party cash, cash equivalents, or other financial assets. Normal market purchases and sales of financial assets are generally recognized on the settlement date. By contrast, purchases and sales of securities are recognized with the bank's invoicing price on the trade date, and derivative transactions at cost on the trade date.

Financial assets and liabilities are initially measured at fair value. The carrying amount of financial instruments that are not subsequently measured at fair value through profit and loss also includes directly attributable transaction costs.

Subsequent measurement of financial instruments recognized within the Group is performed using the measurement categories defined in IAS 39 Financial Instruments: Recognition and Measurement

- Financial assets and liabilities measured at fair value through profit and loss (FVTPL) and held for trading (HfT): fair value
- Held to maturity investments (HtM)): amortized cost
- Loans and Receivables (LaR): amortized cost
- Available-for-Sale financial assets (AfS): fair value
- Financial liabilities at cost (FLAC): amortized cost

No transfers occurred between the IAS 39 measurement categories, either in the year under review (2013), or in the comparable year (2012).

Financial assets and financial liabilities are not netted with each other.

Pursuant to IAS 39, in cases where substantial objective indications point to an impairment of financial assets, corresponding impairment losses are applied. This entails reviewing the carrying amounts of individual financial assets that are not measured at fair value through profit and loss with respect to the need for valuation adjustments to reflect impairment. Examples of objective indications include significant financial difficulties on the part of the debtor, the discontinuation of an active market, as well as significant changes to the technological, market-related, economic or legal environment. In the case of equity instruments, a significant or long-lasting reduction in fair value comprises an objective indication of value impairment. Impairment losses are reported in the statement of comprehensive income within the “Other operating expenses” item. All identifiable default risks were taken into sufficient account through corresponding risk provisions. The theoretically maximum remaining default risk from financial assets corresponds to their amounts as entered in the balance sheet.

Financial assets are derecognized if the contractual rights to payments arising from the financial assets expire, or if the financial assets are transferred with all significant opportunities and risks. Financial liabilities are derecognized as soon as the contractual obligations are settled, cancelled or expire.

Information about risk management can be found both under Note 21 and also in the section of the Group management report devoted to risk reporting.

Financial assets

The regulations of IAS 39 divide financial instruments into “financial assets measured at fair value through profit and loss”, “financial investments held to maturity”, “financial assets available for sale” or “loans and receivables”. Equity participating interests whose fair value can be reliably determined are classified as “financial assets measured at fair value through profit and loss”. If fair value cannot be determined reliably, equity participating interests are classified as “financial assets available for sale”, and are measured at cost.

Receivables and other assets

Receivables and other assets are divided into “trade receivables”, “receivables from companies in which the company has a participating interest” and “miscellaneous receivables and other assets”.

On initial recognition, “trade receivables” are recognized at fair value while taking into account directly attributable transaction costs. They are measured at amortized cost in subsequent periods due to their classification as “loans and receivables”.

Both non-financial assets and financial assets are reported under the item “miscellaneous receivables and other assets”. With the exception of derivative financial instruments, financial assets are allocated to the “loans and receivables” IAS 39 measurement category, are recognized on the first recognition date at fair value while taking into account directly attributable transaction costs, and are measured in subsequent periods at amortized cost while applying the effective interest method. Non-financial assets are measured according to the respectively applicable standards.

Cash and cash equivalents

Cash in hand and cash at banks is reported under this item. Cash in hand and cash at banks is allocated to the IAS 39 “loans and receivables” measurement category, is recognized on the first recognition date at fair value while taking into account directly attributable transaction costs, and is measured in subsequent periods at amortized cost while applying the effective interest method. Foreign currency positions are measured at the mid-rate prevailing on the balance sheet date. Cash at banks carries a residual term of up to three months on acquisition.

Financial liabilities

Primary financial instruments comprise bank borrowings, trade payables, and other non-derivative financial liabilities. Trade payables and other non-derivative financial liabilities include liabilities existing as of the balance sheet date for invoices that have not yet been settled, loan obligations, liabilities to employees, and related obligations. Pursuant to IAS 39, primary financial liabilities are initially recognized at fair value. In this context directly assignable transaction costs are taken into account. They are measured at amortized cost in subsequent periods.

Provisions for employee benefits

The Group has no pension plan for the German entities, but various pension plans for the Dutch entities and other entities abroad Germany and The Netherlands. The Dutch plans are financed through contributions to pension providers such as insurance companies. The other foreign pension plans can be compared to how the Dutch pension system has been designed and functions. The pension obligations of both the Dutch and the other foreign plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

Other privisions

Other provisions are recognized for legal or notional obligations to third parties arising from past events, as well as for agreements containing charges if the outflow of funds to settle the obligations is likely and can be reliably estimated.

Other provisions are measured according to IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Provisions are measured based on best possible estimates in this context. No interest is applied due to the short-term nature of these provisions. Compensation claims against third parties are capitalized separately from provisions if their realization is almost certain.

Share-based compensation transactions

Stock options, in other words, share-based compensation transactions that are settled with equity instruments, are measured at fair value on the vesting date. The fair value of the obligation is reported as personnel expenditure within equity over the entitlement period. The stock options' fair value is calculated using the internationally recognized Black-Scholes-Merton formula.

The share-based program for Management Board and employee compensation includes an option for Cliq Digital AG to satisfy the options in either cash or Cliq Digital AG ordinary shares. As of the balance sheet date, the company does not intend to satisfy share-based compensation in cash.

SUPPLEMENTARY INFORMATION ABOUT ITEMS IN THE STATEMENT OF COMPREHENSIVE INCOME, THE BALANCE SHEET, THE CASH FLOW STATEMENT, AND THE STATEMENT OF CHANGES IN EQUITY

(1) Revenue

Revenue is composed as follows:

In EUR thousand	2013	2012
Mobile Value-Added Services	51,099.6	62,642.2
Online Games	557.0	3,228.4
Miscellaneous	128.1	362.5
Total	**51,784.7**	**66,233.1**

(2) Work performed by the enterprise and capitalized

This item primarily comprises personnel expenses connected with the capitalization of development costs for the Cerebro, Business Intelligence and thumbr platform. (2012: thumbr platform).

(3) Other operating income

Other operating income includes the following items:

In EUR thousand	2013	2012
Income from the sale of the assets of Venga	-	400.0
Exclusivity deals	900.0	-
Other	-	0.3
Total	**900.0**	**400.3**

Other operating income of EUR 0.9 mln is related to so-called exclusivity agreements in some countries by some subsidiaries of Cliq Digital and one of Cliq Digital’s business partners. Within the respective agreements the group companies grant exclusivity to a supplier in respect of the use of its services in some countries. The exclusivity deals will have no consequence for Cliq Digital’s operations going forward.

(4) Personnel expenses

Personnel expenses include obligations to salaried employees. The personnel expenses are composed as follows:

In EUR thousand	2013	2012
Wages and salaries	5,574.9	7,039.3
Pension contributions	50.0	38.7
Social contributions	621.0	956.6
Total	**6,245.9**	**8,034.5**

(5) Depreciation, amortization and impairment losses

For more information about depreciation, amortization and impairment charges applied to intangible assets and tangible assets please refer to the remarks on intangible assets (10) and tangible assets (11).

(6) Other operating expenses

Other operating expenses include the following expenses:

In EUR thousand	2013	2012
Media costs	12,528.0	15,199.4
Costs for technology and licenses	25,847.0	28,822.7
Premises costs	401.9	796.7
Advertising costs	-	81.4
Insurance and contributions	154.1	161.5
Travel costs	303.4	413.6
Vehicle costs	10.9	46.3
Professional fees	745.2	1,827.7
Supervisory Board compensation	51.7	51.9
Merger costs	34.0	549.8
Other	780.3	2,484.2
Total	**40,856.5**	**50,435.2**

(7) Financial income and financial expenses

Financial income and financial expenses are composed as follows:

In EUR thousand	2013	2012
Financial income		
Interest income	134.6	264.9
Other financial income	331.8	-
	466.4	**264.9**
Financial expenses		
Interest expenses	-1,367.4	-1,153.9
Other financial expenses	-635.7	-764.7
	-2,003.1	-1,918.6
Total	**-1.536.7**	**- 1,653.7**

(8) Taxes on income

In EUR thousand	2013	2012
Current taxes on income - Germany		
Corporation taxes	1.9	607.1
Trade taxes	**1.9**	**607.1**
	3.8	1,214.2
Current taxes on income - The Netherlands		
Corporation taxes	179.9	1,371.3
	179.9	**1,371.3**
Current taxes on income - Abroad	**142.7**	**84.4**
Deferred taxes on income		
Deferred taxes income	-908.3	- 2,563.6
	-908.3	**- 2,563.6**
Actual tax income (-)/expenses (+)	**-581.9**	**106.3**

The reported current taxes on income in Germany and The Netherlands comprise taxes on income for the 2013 financial year, and income from the partial release of tax provisions formed in the previous year. This also applies for current taxes on income for subsidiaries based abroad (i.e. not Germany or The Netherlands), which are calculated according to the national tax regulations relevant for the individual companies.

The deferred taxes arise from the different timing of the valuations between the individual companies‘ tax accounts and the valuations in the consolidated balance sheet in line with the liability method, as well as from tax loss carryforwards. Decisive for the assessment of the value-retention of deferred tax assets is the assessment of the likelihood of the reversal of the valuation differences, and the extent to which loss carryforwards that have resulted in the deferred tax assets can be utilized. This depends on the generation of future taxable earnings during the period in which the tax valuation differences reverse, and in which tax loss carryforwards can be asserted. Due to past experience, and the expected tax income situation, Cliq Digital assumes that a part of the corresponding benefits can be realized from the deferred tax assets. As a consequence, deferred tax items are recognized to the extent to which the application of the tax losses is likely over the next years. Tax loss carry forwards of EUR 12,224 thousand were recognized as of December 31, 2013 (2012: EUR 15,665 thousand), and temporary differences of EUR nil thousand (2012: EUR 114 thousand). No deferred tax assets were formed for the tax losses of which carry forwards are uncertain. The tax loss carry forwards that were not taken into account for this reason amount to EUR 1,614 thousand.

Dividends to be paid by Cliq Digital AG in the future in Germany have no impact on the Group's tax burden.

As of December 31, 2013, all German and Dutch deferred taxes on temporary differences were calculated, as in the previous year, on the basis of a combined rounded 30% tax rate (for Germany) and 25% tax rate (for The Netherlands), and of between 20% and 25% for other foreign (i.e. not Germany or The Netherlands) deferred taxes. As in the previous year, the recognition of deferred taxes on German tax loss carry forwards were based throughout on tax rates of 14% for trade tax, and 16% for corporation tax and the Solidarity Surcharge.

Currently a tax audit is conducted regarding the fiscal years 2007 through 2011 of former Bob Mobile AG and its German subsidiaries. As per December 31, 2013 a provision for the estimated risk has been taken into account.

The following table shows the reconciliation between the expected tax expense and the actual tax expense:

In EUR thousand	2013	2012
Profit (+) / loss (-) on ordinary business activity	433.4	-3,472.0
Expected tax expense (+) /income (-) given a 30 % tax rate	130.0	-
Deviations from the expected tax expense		
a. Current taxes of entities within the group with positive (+) or negative (-) fiscal result	-	2,669.9
b. Timing differences valuation intangible fixed assets	-	-2,126.4
c. Capitalized losses carried forward	-417.8	-448.3
d. Taxes for prior years (current)	-737.0	-
e. Taxes for prior years (deferred)	541.0	-
f. Taxation differences between domestic and foreign operations	-140.7	-
g. Others	42.6	11.1
Total adjustments	-711.9	106.3
Actual tax income (-) / expense (+)	**-581.9**	**106.3**

The effective tax rate amounts to - / -134.3% (2012: -3.1% relating to the amounts of the loss).

The tax deferrals are allocated to the following balance sheet items:

In EUR thousand	2013 Deferred tax assets	2013 Deferred tax liabilities	2012 Deferred tax assets	2012 Deferred tax liabilities
Intangible assets	-	505.2	-	1,185.4
Tax loss carryforwards	3,060.0		3,000.0	-
	3,060.0	**505.2**	**3,000.0**	**1,185.4**
Netting of deferred tax assets and liabilities	2,554.8	-	1,814.6	-
	2,554.8	**-**	**1,814.6**	**-**

(9) Earnings per share

Basic earnings per share are calculated by dividing the share of earnings attributable to Cliq Digital AG shareholders by the weighted average number of shares in issue. Diluted earnings per share also take into account all shares that can potentially be issued due to the stock option program (Note 17).

	2013	2012
Profit / loss attributable to Cliq Digital AG shareholders (in EUR thousand)	1,015.3	-3,578.2
Number of shares in circulation as of January 1	3,946,699	1,684,199
Number of shares in circulation as of December 31	4,441,699	3,946,699
Weighted average number of shares in issue	4,071,877	3,663,887
Basic earnings per share (in EUR)	**0.25**	**-0.98**
Number of potentially dilutive ordinary shares (in number of shares)	89,550	130,300
eighted average number of shares for the calculation of diluted earnings per share	4,161,427	3,794,187
Diluted earnings per share (in EUR)	**0.24**	**-0.94**

(10) Intangible assets

Intangible assets reported the following changes:

in EUR thousand	Internally generated intangible assets	Customer base	Other intangible assets	Prepayments rendered on other intangible assets	Goodwill	Total
Cost						
January 1, 2012	**1,133.5**	**-**	**391.2**	**541.0**	**105.6**	**2,171.3**
Additions: first-time consolidation	**1,101.7**	11,720.8	**-**	**-**	42,758.8	55,581.3
Additions	484.0	-	99.8	252.8	-	836.6
Disposals	-398.5	-	-244.0	-129.0	-	-771.5
December 31, 2012	**2,320.7**	11,720.8	**247.0**	**664.8**	**42,864.4**	**57,817.7**
January 1, 2013	**2,320.7**	11,720.8	**247.0**	**664.8**	**42,864.4**	**57,817.7**
Additions: first-time consolidation	139.1	-	-	-	457.8	596.9
Additions	993.2	-	-	-	-	993.2
Disposals	-	-	-3.8	-664.8	-	-668.6
December 31, 2013	**3,453,0**	**11,720.8**	**243.2**	**-**	**43,322.2**	**58,739.2**
Amortization and impairment losses						
January 1, 2012	**563.8**	-	**283.8**	192.7	-	**1,040.3**
Amortization in the financial year	988.1	8,090.0	193.4	391.4	105.6	9,768.5
Disposals	-398.6	-	-234.0	-	-	-632.6
December 31, 2013	**1,153.3**	8,090.0	**243.2**	**584.1**	105.6	**10,176.2**
January 1, 2013	**1,153.3**	8,090.0	**243.2**	**584.1**	105.6	**10,176.2**
Amortization in the financial year	820.9	2,880.3	-	-	-	3,701.2
Disposals	0.1	-	-	-584.1	-	-584.0
December 31, 2013	**1,974.3**	**10,970.3**	**243.2**	**-**	**105.6**	**13,293.4**
Carrying amount December 31, 2012	**1,167.4**	3,630.8	**3.8**	**80.7**	**42,758.8**	**47,641.5**
Carrying amount December 31, 2013	**1,478.7**	**750.5**	**-**	**-**	**43,216.6**	**45,445.8**

The goodwill, customer base and the additions from first-time consolidation arose through the acquisition of Cliq B.V. and Grumbl Media Holding B.V.

Additions on internally generated intangible fixed assets during the 2013 financial year primarily concerned internally generated development costs for Cerebro, Business Intelligence and thumbr platform in an amount of EUR 851.7 thousand (2012: thumbr platform EUR 386.2 thousand).

(11) Tangible assets

Tangible assets reported the following change:

In EUR thousand	Total Property, plant and equipment
Cost	
January 1, 2012	**375.4**
Additions: first-time consolidation	586.0
Additions	369.2
Disposals	-45.5
December 31, 2012	**1,285.1**
January 1, 2013	**1,285.1**
Additions: first-time consolidation	8.8
Additions	170.9
Disposals	-43.4
December 31, 2013	**1,421.4**
Depreciation and impairment losses	
January 1, 2012	**193.9**
Depreciation in the financial year	398.9
Disposals	-25.6
December 31, 2012	**567.2**
January 1, 2013	**567.2**
Depreciation in the financial year	265.6
Disposals	-10.6
December 31, 2013	**822.2**
Carrying amount December 31, 2012	**717.9**
Carrying amount December 31, 2013	**599.2**

Additions from first-time consolidation arose through the acquisition of Grumbl Media Holding B.V.

Additions to property, plant and equipment amounted to EUR 170.9 thousand (2012: EUR 369.2 thousand). The largest individual items in this context relate to new hardware for an amount of EUR 105 thousand.

(12) Trade receivables

Trade receivables are composed as follows:

In EUR thousand	31 / 12 / 2013	31 / 12 / 2012
Trade receivables, gross	3,275.4	5,978.4
Less: valuation adjustments	-554.9	-375.4
	2,720.5	**5,603.0**

The reported trade receivables carry a residual term of up to one year.

The reported valuation adjustments applied to trade receivables changed as follows:

In EUR thousand	Specific valuation adjustments		Portfolio valuation adjustments		Total	
	2013	2012	2013	2012	2013	2012
January 1	**375.4**	**59.2**	-	-	**375.4**	**59.2**
Changes to valuation adjustments carried through profit and loss	179.5	316.2	-	-	179.5	316.2
December 31	**554.9**	**375.4**	-	-	**554.9**	**375.4**

The following overdue, but unimpaired trade receivables were reported as of the balance sheet date:

In EUR thousand	Overdue by 1-30 days	Overdue by 30-180 days	Overdue by more than 180 days
December 31, 2013	390,0	367,1	87,1
December 31, 2012	1,395.2	653.5	130.9

As far as the receivables, which are not overdue and unimpaired, or which are overdue and unimpaired, are concerned, there are no indications that the customers are unable to fulfill their obligations based on their credit history and current credit ratings.

(13) Receivables from companies in which the company has a participating interest

Receivables as per December 31, 2012 due from companies where an interest is held represent trade receivables with a residual term of up to one year.

(14) Miscellaneous receivables and other assets

Miscellaneous receivables and other assets are composed as follows:

In EUR thousand	31 / 12 / 2013	31 / 12 / 2012
VAT	885.8	851.2
Prepayments rendered for guarantees and licenses	22.3	6.1
Overpayment of tax	2.1	426.2
Receivables arising from services that have not yet been invoiced	3,651.0	4,202.8
Deposits	44.0	42.9
Prepayments and accrued income	697.1	1,460.9
Tax reimbursement claims from Greek tax authorities	40.1	152.7
Securities	-	65.6
Miscellaneous	1,410.5	471.2
	6,752,9	**7,679.5**

The reported miscellaneous receivables and other assets carry a residual term of up to one year.

(15) Deferred taxes

Taxes are deferred according to the liability method as per IAS 12 Income Taxes. Tax rates that are applicable, approved and published as of the balance sheet date are applied in this context.

The deferred tax assets of EUR 3,060.0 thousand (2012: EUR 3,000.0 thousand) arise from the probable future utilization of tax loss carryforwards. Note 8 “Taxes on income” contains further information about deferred taxes.

(16) Cash and cash equivalents

This item contains cash at banks of EUR 276.3 thousand (2012: EUR 2,677.7 thousand), and cash in hand of EUR 0.3 thousand (2012: EUR 0.2 thousand).

(17) Consolidated equity

Consolidated equity in his individual components are reported separately in the “Statement of changes in equity”.

- **Distributions**

Cliq Digital continues to pursue its dividend policy to date of only distributing earnings if they are not to be deployed for repayment of the debt and / or needed for further financing its business. Cliq Digital AG decided to use its cash flow 2013 reducing its debt resulting mainly from the acquisition of Cliq B.V.

Capital management

Cliq Digital generally pursues the objective of generating an appropriate return on its capital employed. The Group‘s balance sheet capital functions solely as a passive management criterion in this context. Revenue and EBITDA are utilized as active management metrics. Cliq Digital AG is nevertheless a young company – in the way it currently is – that is still in its growth phase. It aims to realize a high level of investments in building up the Group, which to a not inconsiderable extent places a burden on the company‘s short-term profitability. These growth objectives mean that a focus is not always placed on classic return criteria during this growth phase. The related investments form the basis for the company‘s long-term success. Cliq Digital AG‘s aim is to be a profitable group in both the short and long term.

Subscribed capital

The share capital consists of 4,445,699 non-par value bearer shares. All shares issued until December 31, 2013 are fully paid in. Each share grants an equally ranking voting right as well as equally ranking dividend claims. The number of issued and dividend-entitle shares changed as follows in the year under review:

January 1, 2013	3,946,699
Issue of new shares	495,000
December 31, 2013	**4,441,699**
Weighted average number of shares in the 2012 / 2013 financial year	4,071,877

On July 18, 2013, the Management Board utilised the Authorised Capital 2012, which was created by the company’s ordinary General Meeting held on August 24, 2012, and, with the consent of the Supervisory Board, resolved to increase the registered share capital by EUR160,000.00. The capital increase was performed for contributions in kind through the issuance of 160,000 new no-par value bearer shares, each such no-par value share representing a notional interest in the registered share capital of EUR1.00. The shareholders‘ subscription rights were excluded. The implementation of the capital increase took effect when it was registered with the commercial register on August 15, 2013. With the implementation of this capital increase, the Authorised Capital 2012 amounted to EUR 1,815,349.00 and the registered share capital amounted to EUR 4,110,699.00.

On October 9, 2013, the Management Board utilised the Authorised Capital 2012 and, with the consent of the Supervisory Board, resolved to increase the registered share capital by EUR 335,000.00. The capital increase was performed for contributions in kind through the issuance of 335,000 new no-par value bearer shares, each such no-par value share representing a notional interest in the registered share capital of EUR 1.00. The shareholders‘ subscription rights were excluded. The implementation of the capital increase took effect when it was registered with the commercial register on October 23, 2013. With the implementation of this capital increase, the Authorised Capital 2012 amounted to EUR 1,480,349.00 and the registered share capital amounted to EUR 4,445,699.00.

Cliq Digital AG reports a share capital consisting of 4,445,699 shares following these transactions.

Treasury shares

By virtue of the resolution adopted by the Extraordinary General Meeting on December 22, 2011 the Management Board, in the period until December 21, 2016, is authorised to acquire own shares (treasury shares) of the Company. The authorisation is limited to 10% of the registered share capital. The authorisation can be directly utilised by the Company or by a third party engaged by the Company completely or partially, as part of the limitations mentioned before.

The Management Board is authorised to use the treasury shares which have been acquired according to the authorisation above or a previously given authorisation for any legally permitted purposes and other than by a sale via the stock exchange, or via an offer to all shareholders, in particular as follows:

They can be offered or sold as (part) consideration in connection with a merger with other enterprises or for an acquisition of enterprises, shareholdings in enterprises or parts of enterprises.

They can be withdrawn without further resolution of the Annual General Meeting. Any withdrawal may be limited to a portion of the acquired shares; the authorisation to withdrawal may be used several times. The withdrawal may be executed in such a way that the share capital does not change but the interest in the share capital represented by the remaining shares is increased by the withdrawal pursuant to Sec. 8 para. 3 Stock Corporation Act (Aktiengesetz – AktG) (Sec. 237 para. 3 no. 3 AktG). In this case, the Management Board is authorised to adjust the number of shares in the Articles of Association in accordance with the amount of the capital increase.

They can be sold for a price that does not significantly undercut the market price of the shares in the Company at the time of sale; in this case, the number of sold shares together with new shares which have been issued during the term of this authorisation by excluding the shareholders' subscription rights pursuant to Sec. 186 para. 3 sentence 4 AktG, may not exceed in total 10% of the Company's share capital, neither at the time at which this authorisation takes effect nor at the time at which the authorisation is utilised; this maximum limit is reduced by the proportionate amount of the share capital attributable to issued shared during the term of this authorisation pursuant to or in accordance with Sec. 186 para. 3 sentence 4 AktG by excluding the subscription rights.

The entire treasury share position amounted to 4,000 shares as of December 31, 2013. This corresponds to 0.09% of the share capital. The purchase costs of EUR 15.48 thousand (including incidental purchase costs of EUR 0.0 thousand) were deducted as a total from equity.

Approved capital

The company's Annual General Meeting held on August, 24 2012 created authorised capital in the amount of EUR 1,975,349.00 ("Authorised Capital 2012"). Pursuant to Sec. 7 para. 1 of the Articles of Association, the Management Board was authorised, subject to the consent of the Supervisory Board, to increase the registered share capital through the issuance of new no-par value shares against cash and / or in-kind contributions once or several times in the period until 23 August 2017, by a total amount not exceeding EUR 1,975,349.00 by issuing up to 1,975,349 new no-par value bearer shares.

The Authorised Capital 2012 was partly utilised by the capital increases amounting to 160,000 shares and 335,000 shares, respectively, which were both completed in 2013 (see above). The remaining outstanding capital amounts to EUR 1,480,349.00.

- **Conditional capital**

By resolution of the company's Annual General Meeting on 14 August 2008, the Company's registered share capital was contingently increased by up to EUR 133,366.00, divided into 133,366 new no-par value bearer shares ("Contingent Capital II"). The Contingent Capital II is exclusively for the purpose to cover option rights from stock options of members of the management board and of employees of the Company and of members of the management and employees of affiliated companies or future affiliated companies inland or abroad in the meaning of Secs. 15 seq. AktG which have been granted pursuant to the authorisation by the Annual General Meeting on 14 August 2008 within a period of five years following the registration of the Contingent Capital II. The Contingent Capital II increase shall be implemented only to the extent that holders of issued option rights exercise their option rights and to the extent the Company does not choose treasury shares or cash settlement for fulfilment. The new shares shall participate in the profits from the beginning of the financial for which at the time of the exercise of the option rights a resolution on the appropriation of the balance sheet profits has not yet been adopted.

By virtue of the resolution adopted by the Annual General Meeting on 24 August 2012, the Company's registered share capital was contingently increased by up to EUR 250,000.00, divided into 250,000 new no-par value bearer shares ("Contingent Capital 2012"). The Contingent Capital 2012 increase is only for the purpose to cover option rights which have been issued in accordance with the authorisation adopted by the Annual General Meeting on 24 August 2012. The contingent capital increase will be implemented only to the extent that holders of option rights exercise their rights to subscribe to shares of the Company and that the Company does not choose to fulfil these rights with treasury shares. The new shares shall participate in the profits from the beginning of the financial year in which they are created through the exercise of option rights.

By virtue of the resolution adopted by the Annual General Meeting on 30 August 2013, the Company's registered share capital was contingently increased by up to EUR 1,591,983.00, divided into 1,591,983 new no-par value bearer shares ("Contingent Capital 2013"). The Contingent Capital 2013 is resolved only for the purpose to grant holders of creditors of conversion bonds, option bonds and / or profit participation bonds and / or profit participation rights (or combinations of these instruments) which have been issued in accordance with the authorisation adopted by the Annual General Meeting on 30 August 2013 by the Company or its direct or indirect group companies inland or abroad and which grant a conversion or option rights to no-par value shares of the Company or a conversion obligation.

The new no-par value shares from the Contingent Capital 2013 may only be granted for a conversion or option price that meets the conditions of the authorisation granted by the Annual General Meeting on 30 August 2013 (see below).

The Contingent Capital 2013 increase shall be implemented only to the extent that holders or creditors of conversion rights and / or warrants, participatory notes and / or participating bond (or combinations of these instruments) issued in the period until 29 August 2018 as a result of the authorisation adopted by the Annual General Meeting on 30 August 2013 exercise their conversion or option rights, to the extent holders or creditors obligated to conversion meet their obligation to convert or shares are tendered due to substitution rights of the Company and to the extent the Company does not choose treasury shares or new shares from an utilisation of authorised capital for fulfilment. The new shares shall participate in the profits from the beginning of the financial year in which they are created through the exercise of conversion or option rights or the fulfilment of conversion duties or the exercise of tender rights. The Management Board is authorised to define the further details of the implementation of the contingent capital increase.

- **Authorization to issue warrant and/or conversion participation rights, warrant bonds, convertible bonds and/or profit participation bonds, and to exclude subscription rights**

By virtue of the resolution adopted by the company's Annual General Meeting on 30 August 2013, the Management is authorised, with the consent of the Supervisory Board, to issue once or several times bearer or registered warrant bonds, convertible bonds or profit-linked bonds and / or participatory notes (or combinations of these instruments) with or without limiting the term in a total nominal amount of up to EUR 40,000,000.00 and to grant holders or creditors of bonds conversion or option rights for up to 1,591,983 bearer shares of the Company with a pro-rata amount of the share capital of in total up to EUR 1,591,983.00 in accordance with the details of the bond terms, and / or to establish duties to convert the respective conversion bond to bearer shares in the bond terms.

The bonds shall, in principle, be offered to shareholders for subscription. They may also be transferred to one or several credit institution(s) or similar entities to pursuant to Sec. 186 para. 5 sentence 1 AktG subject to the stipulation that they will be offered to the shareholders for subscription. If the bonds are issued by a group company, the Company shall ensure that the shareholders of the Company are granted legal subscription rights as aforementioned.

Bonds can be issued one or several times, wholly or in part, or simultaneously in different tranches. The individual tranches may be divided into fractional bonds, each having identically ranking rights. Sec. 9 para. 1 AktG and Sec. 199 AktG remains unaffected.

In the event of the issuance of option bonds, one or several options are attached to each such bond (partial bond) that, according to the terms of the option, entitle the holder to acquire bearer shares of the Company. The pro-rata amount in the share capital of the bearer shares in the Company to be acquired per bond with options attached may, however, not exceed the nominal amount of the bond with options attached. In addition, the term of the option may not exceed the term of the option bond. In any case, a provision can be established to ensure that any fractional amounts are combined and / or compensated in cash. The same applies where warrants are attached to a profit participation right or a participating bond.

In the event of issuance of conversion bonds, the holder of such bond (partial bond) have the right to convert them to bearer shares of the company pursuant to the terms of the convertible bond as determined by the Management Board. The conversion ratio shall be calculated by dividing the nominal value of an individual bond (partial bond) by the fixed conversion price for one bearer share of the Company. The conversion ration can also be calculated by dividing the issue price of a bond which is below the nominal value by the determined conversion price for one new issued bearer share of the Company. The conversion ratio may be rounded in any case to a conversion ratio with a full figure. A provision may be stipulated that fractional amounts are combined and / or compensated in cash. The pro-rata amount in the share capital of the bearer share to be issued at conversion may not may not exceed the nominal value of the bond. The terms of the bond may stipulate a conversion duty at the end of their term or at an earlier date. The Company may be entitled under the bond terms to settle a difference between the nominal value of the conversion bond and the product of the conversion price and the conversion ratio in cash, either in whole or in part. The above shall apply, mutatis mutandis, if the conversion right or duty arises from a participation right or profit participation bond.

The terms of the conversion or option bond may provide for the right of the Company to grant to creditors of the bond in whole or in part new shares or treasury shares to creditors of the bond instead of payment of the amount in cash due. The shares are imputed in each case at a value equalling the volume-weighted average share prices rounded up to full cents of the Company’s shares in the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) on the Frankfurt Stock Exchange on the last ten trading days prior to the date of the conversion or exercise of the option. The terms of the conversion or option bond can further stipulate that the Company may also pay to holders of conversion or option bonds the equivalent cash amount of the shares which would otherwise have to be provided. The value per share equals the average closing price rounded up to full cents of the Company’s shares of the same class in the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) on the Frankfurt Stock Exchange on the last ten trading days prior to the date of the conversion or exercise of the option.

In the event of issuance of bonds with a conversion right, conversion duty and / or option right attached, the respective option or conversion price to be defined – even in any variable conversion ratio or conversion price – must (i) either correspond with at least 80 % of the volume-weighted average share price of the shares of the Company of the same kind on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) on the Frankfurt Stock Exchange on the last ten trading days prior to the date of the resolution of the Management Board on the issuance of the option or conversion bonds, or (ii) – in the event of granting subscription rights – at least 80 % of the volume-weighted average share price of the shares of the Company of the same kind on the XETRA trading system (or a functionally comparable successor system replacing the XETRA system) on the Frankfurt Stock Exchange in the time period from the beginning of the subscription period up (and including) the third day preceding publication of the final terms pursuant to Sec. 186 para. 2 sentence 2 AktG. Sec. 9 para. 1 AktG and Sec. 199 AktG remain unaffected.

The authorisation includes the possibility, subject to the terms of the bonds, to provide dilution protection or other adjustments under certain circumstances. This may especially occur when the Company increases its share capital during conversion or option period, grants subscription rights to its shareholders in the process or issues additional conversion or option bonds or grants or guarantees conversion or option rights, but does not grant the holders of existing conversion or option bonds subscription rights thereto that would otherwise have been available to them upon exercise of the conversion or option right or fulfilment of their conversion duties as shareholder, or where the share capital is increased from issuer‘s funds.

For such cases the terms of the conversion or option bond may ensure that the economic value of the existing conversion or option rights remains unaffected by adjusting their value, unless such adjustment is not already required by law. The adjustment to preserve value can especially be done by granting subscription rights, the amendment or granting of a cash compensation or by amendments of the conversion or option price. This shall apply mutatis mutandis to capital decreases or other capital measures, share splits, restructurings, acquisition of control by a third party, dividend payments or other similar measures resulting in a dilution of the value of the Company’s shares. Sec. 9 para. 1 AktG and Sec. 199 AktG remain unaffected. In any case, the pro-rata amount of the share capital attributable to the shares for each option may not exceed the nominal value of the individual option or a lower issue price.

The Management Board is authorized, with the consent of the Supervisory Board, to determine the remaining details of the issuance and structuring of the bonds, in particular, the rates, the kind of rates, issue price, termination, denomination, provisions on protection against dilution, restructuring options, option or conversion price and option or conversion period and currency and conversion details. In the event that the bonds are issued by group companies, the Management Board shall, in addition, ensure good understanding with the corporate bodies of the issuing group company. Sec. 9 para. 1 AktG and Sec. 199 AktG remain unaffected.

Consolidated retained earnings

This item contains the accumulated retained earnings of subsidiaries included in the consolidated financial statements, the profit / loss for the period, and other consolidation reserves.

Stock option program

The company‘s Ordinary Shareholders‘ General Meeting passed a resolution on July 8, 2008 to authorize the Management Board, with Supervisory Board assent, to grant within five years after the entry of Conditional Capital II in the commercial register, once or on several occasions, subscription rights to a total of up to 133,633 ordinary bearer shares each with a notional interest in the share capital of EUR 1.00 per ordinary share of the company according to the following significant terms presented below (“Stock Option Plan 2008”):

The issuing of stock options to subscribe for the company shares and the issuing of the shares is performed in order to create an employee stock option model.

As part of the Stock Option Program 2008, subscription rights were issued to members of the Management Board and employees of Cliq Digital AG, as well as to members of the management and employees of companies associated, or associated in the future, with the company in the meaning of Sections 15 et seq. of the German Stock Corporation Act (AktG).

Cliq Digital AG has set up three stock option programs (2009-2017) for managers since the 2009 financial year: in 2009, in January 2012 and in December 2012. Only for the option program of December 2012 there are still options outstanding as per December, 31 2013. The following terms are valid for this program:

The holding period of the options amounts to three years for one third (1 / 3) and four years for two thirds (2 / 3) of the pledged options. Each stock option entitles the holder to subscribe for one of the company‘s shares at the exercise price. In each case, the exercise price corresponds to 100% of the market value of the shares on the date of the resolution concerning the allocation of options on December 28, 2012 (EUR 5.11); distributions, especially dividend payments and any subscription rights or other special rights, are to be taken into consideration during the duration of the respective stock options in this context. The precondition for the binding purchase and exercise of the stock options is that the market value of the share of Cliq Digital AG exceeds the basis price by at least 20% on the date when the subscription rights are exercised. To date, the performance targets have not been retrospectively reduced during the duration of the programs. Stock options for which the waiting period has been fulfilled, and which have not been exercised despite the attainment of the performance targets within an exercise window, can be exercised within a later exercise window. The stock options can generally only be exercised if the individual entitled to the subscription rights is in the permanent employment of Cliq Digital AG or a company associated with it. The exercise terms also include the provision that the exercise of the stock options is permissible only in the following annual periods (“exercise periods”), which last for six weeks in each case: They start in each case on the third banking day after the publication of preliminary quarterly reports. The company can only redeem the options by allocating shares or through cash settlement. The duration of the stock option program amounts to five years, commencing from the pledging date. If the individuals entitled to the subscription rights to not exercise the stock options within the duration, the stock options expire worthless.

The assumptions underlying the December 2012 program are as follows:

	December 2012 program
Number of options issued	91,800
Fair value of the option on the issue date	EUR 2.40
Exercise price of the option on the issue date	EUR 5.11
Expected volatility	30.00%
Duration of the option	5 years
Expected dividends	5%
Risk-free interest rate	1.50%
Turnover rate	30.00%

The stock options reported on the December 31, 2013 reporting date are composed exclusively of the 2012 December stock option programs, since all the individuals entitled to the subscription rights of the 2009 program and the 2012 January program are no longer in the permanent employment of Cliq Digital AG or a company associated with it. The 2012 December program expires in December 2017.

The fair value of the options was calculated by an external valuation expert using the Black-Scholes-Merton formula. For all the programs, plausible estimates were made of the expected volatility, including price increases that occurred in the 2012 and 2013 financial years.

The stock options performed as follows:

	2013		2012	
	Average exercise price		Average exercise price	
	Number	EUR	Number	EUR
January 1	130,300	6.11	73,700	5.09
Pledged	-	-	105,800	6.54
Stock options exercised	-	-	-	-
Stock options expired	-40,750	8.32	-49,200	5.27
December 31	89,550	5.11	130,300	6.11
Exercisable on December 31	-	-	-	-

Personnel expenses of EUR - / - 49.4 thousand were incurred in the year under review for the stock option programs (2012: EUR 50.0 thousand costs). The capital reserves were decreased (2012 increased) to reflect this amount.

(18) Benefit plans

Cliq Digital does operate some employer's pension scheme. For the German entities no pension schemes are in place. Employees in Germany have the opportunity to arrange pensions based on direct insurance where the contributions are paid by the employees through salary conversion. The Dutch plans are financed through contributions to pension providers such as insurance companies. The foreign pension plans can be compared to how the Dutch pension system has been designed and functions. The pension obligations of both the Dutch and the foreign plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account. As at year-end 2013 no pension receivables and no obligations existed for the group in addition to the payment of the annual contribution due to the pension provider.

(19) Other provisions

In EUR thousand	31/12/2013	Utilization	Release	Addition	New subs	1/1/2013
Other current provisions						
Taxes on income	466.1	-592.2	-1,040.9	1,129.7	-	969.5
Costs for financial statements and auditing	148.0	-	-24.6	106,0	-	66.6
Miscellaneous provisions	660.3	-354.5	-332.6	586.1	-	761.3
Total other current provisions	**1,274.4**	**-946.7**	**-1,398.1**	**1,821.8**	**-**	**1,797.4**

Pursuant to IAS 37, provisions are recognized for legal or notional obligations to third parties arising from past events, if the outflow of funds to settle the obligations is likely and can be reliably estimated.

Miscellaneous provisions were formed primarily for additional employer-provided benefits, vacation arrears, flexitime arrears, overtime, and settlements.

Miscellaneous provisions include a provision on a possible Greek fine out of 2011, related to a subsidiary of former Bob Mobile AG in Greece.

(20) Liabilities

			Residual term		
in EUR thousand		Total	Up to 1 year	1 to 5 years	> 5 years
Bank borrowings	2013	10,326.7	10,326.7	-	-
	2012	20,600.0	20,600.0	-	-
Trade payables	2013	2,424.3	2,332.4	91.9	-
	2012	2,751.0	2,751.0	-	-
Other liabilities	2013	8,545.7	8,545.7	-	-
	2012	8,542.3	6,642.3	1,900.0	-
Total	**2013**	**21,296.7**	**21,204.8**	**91.9**	**-**
	2012	**31,893.3**	**29,993.3**	**1,900.0**	**-**

Bank borrowings

Bank borrowings are recognized at amortized cost. Bank borrowings correspond to a term loan of EUR 6,750,000 (with an applicable interest rate in 2013 of Euribor plus 3.0%) and a credit (revolving) facility of EUR 7,500,000 000 (with an applicable interest rate in 2013 of Euribor plus 2.05%) of which EUR 3,577,000 is utilized as per December 31, 2013. The issue amount of the term loan was EUR 25,000,000, provided by ABN AMRO Bank N.V. in February 2012 and restated at June 10, 2013. The monthly redemption for this loan was EUR 750 thousand since June 2013. Since December 2013 ABN AMRO Bank N.V. and Cliq Digital have discussed new conditions for the term loan and credit facilities. Both parties however could not reach agreement upon new conditions. In February 2014 the outstanding term loan at the ABN ANMRO Bank N.V. amounted to EUR 6,000,000. In February 2014 respectively March 2014 Cliq Digital signed a loan agreement and an overdraft facility agreement with Commerzbank AG and in March 2014 the remaining term loan and credit facility were paid back to ABN AMRO Bank N.V. The total amount of the outstanding loan (EUR 6,750 thousand) and the credit facility (EUR 3,577 thousand) is disclosed as short term (repayable within 1 year) in the 2013 financial statements:

In EUR thousand	
Within 1 year	6,750
	6,750

The loan agreement of the Commerzbank AG has an original amount of EUR 6,750,000 (provided in February 2014) with a monthly redemption of EUR 187.5 thousand per month, starting in March 2014 till February 2016 and a final bullet payment of EUR 2,250 thousand in February 2016. The applicable interest rate is Euribor plus 3.45%. Of the total loan therefore EUR 1,875 thousand is repayable within 1 year, EUR 2,250 thousand is repayable in 2015 and the remaining amount of EUR 2,625 thousand is repayable in 2016. The overdraft facility (provided in March 2014) is a fixed amount of EUR 7,000,000 with an interest rate of Euribor plus 2.95%. Furthermore, there is a possibility to increase the overdraft facility to an amount of EUR 10,000,000 upon certain conditions.

Other liabilities

Other liabilities are composed as follows:

in EUR thousand		Total	Residual term: Up to 1 year	Residual term: 1 to 5 years	Residual term: > 5 years
Liabilities arising from other taxes	2013	1,664.2	1,664.2	-	-
	2012	738.8	738.8	-	-
Social security liabilities	2013	1.1	1.1	-	-
	2012	31.1	31.1	-	-
Accrual marketing cost and other COS	2013	582.0	582.0	-	-
	2012	1,624.6	1,624.6	-	-
Miscellaneous	2013	1,598.4	1,598.4	-	-
	2012	1,447.9	1,447.9	-	-
Other non-financial liabilities	2013	3,845.7	3,845.7	-	-
	2012	3,842.3	3,842.3	-	-
Loan Jarimovas GmbH	2013	900.0	900.0	-	-
	2012	900.0	900.0	-	-
Vendor loans	2013	3,800.0	3,800.0	-	-
	2012	3,800.0	1,900.0	1,900.0	-
Other financial liabilities	2013	4,700.0	4,700.0	-	-
	2012	4,700.0	2,800.0	1,900.0	-
Total	**2013**	**8,545.7**	**8,545.7**	**-**	-
	2012	**8,542.3**	**6,642.3**	**1,900.0**	**-**

Note 23 includes further information about other financial liabilities.

(21) Reporting on financial instruments

Financial instruments are contractual agreements that include claims to cash and cash equivalents. Pursuant to IAS 32 and IAS 39, these include both primary and derivative financial instruments. Primary financial instruments include, in particular, cash and cash equivalents, receivables and trade payables, and borrowings and loans.

The following tables present the carrying amounts and fair values of individual financial assets and liabilities for each individual category of financial instruments, and reconcile these with the corresponding balance sheet items. As the items of the balance sheet “Miscellaneous receivables and other assets” and “Other liabilities” include financial instruments as well as non-financial assets and liabilities, the column “Of which outside IFRS 7” provides this transition.

Carrying amounts, valuations and fair values by measurement categories as of December 31, 2013

in EUR thousand	IAS 39 measurement category	Carrying amount in balance sheet	Of which outside IFRS 7
Assets			
Cash and cash equivalents	LaR	276.6	-
Trade receivables	LaR	2,720.5	-
Receivables from companies in which the company has a participating interest.	LaR	-	-
Other assets	LaR	6,752.9	-
Financial assets	LaR	-	-
Liabilities			
Trade payables	LaR	-2,424.3	-
Liabilities due to companies where an interest is held	FLAC	-	-
Bank borrowings	FLAC	-10,326.7	-
Other liabilities	FLAC	-8,545.7	-
Aggregated according to IAS 39 measurement categories:			
Loans and receivables	LaR	7,325.7	-
Assets and liabilities measured at fair value through profit and loss (fair value option)	FVO	-	-
Financial assets measured at fair value through profit and loss (held for trading)	HfT	-	-
Financial liabilities measured at amortized cost	FLAC	-18,872.4	-

	Of which balance sheet valuation as per IAS 39				
	Amortized cost	Fair value carried directly to equity	Fair value through profit and loss	Of which the valuation as per IAS 17	Fair value of financial instruments within IFRS 7
	276.6	-	-	-	276.6
	2,720.5	-	-	-	2,720.5
	-	-	-	-	-
	6,752.9	-	-	-	6,752.9
	-	-	-	-	-
	-2,424.3	-	-	-	-2,424.3
	-	-	-	-	-
	-10,326.7	-	-	-	-10,326.7
	-8,545.7	-	-	-	-8,545.7
	7,325.7	-	-	-	7,325.7
	-	-	-	-	-
	-	-	-	-	-
	-18,872.4	-	-	-	-18,872.4

Carrying amounts, valuations and fair values by measurement categories as of December 31, 2012

in EUR thousand	IAS 39 measurement category	Carrying amount in balance sheet	Of which outside IFRS 7
Assets			
Cash and cash equivalents	LaR	2,677.9	-
Trade receivables	LaR	5,603.0	-
Receivables from companies in which the company has a participating interest.	LaR	75.0	-
Other assets	LaR	7,683.3	-
Financial assets	LaR	-	-
Liabilities			
Trade payables	LaR	-2,751.0	-
Liabilities due to companies where an interest is held	FLAC	-	-
Bank borrowings	FLAC	-20,600.0	-
Other liabilities	FLAC	-8,542.3	-
Aggregated according to IAS 39 measurement categories:			
Loans and receivables	LaR	13,361.3	-
Assets and liabilities measured at fair value through profit and loss (fair value option)	FVO	-	-
Financial assets measured at fair value through profit and loss (held for trading)	HfT	-	-
Financial liabilities measured at amortized cost	FLAC	-29,142.3	-

LaR: Loans and Receivables.
FVO: Financial Assets or Financial Liabilities at Fair Value through Profit and Loss (Fair Value Option).
HfT: Financial Assets or Financial Liabilities at Fair Value through Profit and Loss (Held for Trading).
FLAC: Financial Liabilities at Amortized Costs.
FAC: Financial Assets at Costs.

Due to the short maturities of cash and cash equivalents, trade receivables and payables, as well as of other current receivables and liabilities, it is assumed that the respective fair value corresponds to the carrying amount. The fair values of non-current financial assets and liabilities are calculated as the present value of the expected future cash flows. Normal market interest rates relating to the corresponding maturities are utilized for discounting. The cash and cash equivalents, receivables from companies in which the company has a participating interest, and other assets and financial assets were neither overdue nor impaired as of the balance sheet date.

	Of which balance sheet valuation as per IAS 39				
	Amortized cost	Fair value carried directly to equity	Fair value through profit and loss	Of which the valuation as per IAS 17	Fair value of financial instruments within IFRS 7
	2,677.9	-	-	-	2,677.9
	5,603.0	-	-	-	5,603.0
	75.0	-	-	-	75.0
	7,683.3	-	-	-	7,683.3
	-	-	-	-	-
	-2,751.0	-	-	-	-2,751.0
	-	-	-	-	-
	-20,600.0	-	-	-	-20,600.0
	-8,542.3	-	-	-	-8,542.3
	13,361.3	-	-	-	13,361.3
	-	-	-	-	-
	-	-	-	-	-
	-29,142.3	-	-	-	-29,142.3

The net profit / losses on the financial instruments were as follows by IAS 39 measurement categories:

In EUR thousand	2013	2012
Loans and receivables	-	-
Financial Assets at Fair Value through Profit and Loss (FVO)	-	-
Financial Assets or Financial Liabilities at Fair Value through Profit and Loss (HfT)	-	-
Financial Liabilities at Amortized Cost	-1,536.7	-1,653.7
	-1,536.7	**-1,653.7**

The net profit / loss in the “financial liabilities at amortized cost” category is primarily composed of interest expenses for financial liabilities.

The total interest income and expenses for financial assets and liabilities, which are not measured at fair value through profit and loss, are as follows:

In EUR thousand	2013	2012
Total interest income	466.4	264.9
Total interest expenses	-2,003.1	-1,918.6
	-1,536.7	**-1,653.7**

Risk arising from financial instruments

Typical risks arising from financial instruments include credit risk, liquidity risk and individual market risks. The Group‘s risk management system, including its objectives, methods and processes, is presented in the risk report in the Group management report. On the basis of the information presented below, we identify no explicit concentration of risk arising from financial risks.

CREDIT RISKS

Cliq Digital endeavors to reduce default risk on primary financial instruments through trade information, credit limits and debt management, including a reminder and warning system, and aggressive collection. Furthermore Cliq Digital is only doing business with credit-worthy customers. The maximum default risk is derived from the carrying amounts of the financial assets recognized in the balance sheet.

LIQUIDITY RISKS

Operational liquidity management includes a cash controlling process which aggregates liquid resources. This allows liquidity surpluses and requirements to be managed according to the needs of the Group as well as individual Group companies. Short- and medium-term liquidity management includes the maturities of financial assets and financial liabilities, as well as estimates of operating cash flows. Cash and cash equivalents totaling EUR 276.6 thousand (2012: EUR 2,677.9 thousand) are available to cover liquidity requirements. In addition, Cliq Digital has access to total credit lines of EUR 3,923.0 thousand (2012: EUR 4,400.0 thousand), which have not yet been utilized. Overall, liquidity risk is categorized as low as a consequence.

The following (undiscounted) payments prospectively arise from the financial liabilities over the coming years:

In EUR thousand	Gross value 31/12/2013	Payments 2014	Payments 2015 to 2018	Payments from 2019
Trade payables	2,424.3	2,332.5	91.9	-
Bank borrowings[1]	10,326.7	10,326.7	-	-
Other liabilities	8,545.7	8,545.7	-	-
	21,296.7	**21,204.9**	**91.9**	**-**

[1] Reference is made to note 22 bank borrowings.

In EUR thousand	Gross value 31/12/2012	Payments 2013	Payments 2014 to 2017	Payments from 2018
Trade payables	2,751.0	2,751.0	-	-
Bank borrowings	20,600.0	20,600.0	-	-
Other liabilities	8,542.3	6,642.3	1,900.0	-
	31,893.3	**29,993.3**	**1,900.0**	**-**

MARKET RISKS

Market risk refers to the risk that the fair values or future cash flows from the primary or derivative financial instruments fluctuate due to changes in risk factors. The risks of changes to interest rates are the main market risks to which Cliq Digital is exposed. Fluctuations in earnings, equity and cash flows can result from such risks.

The analysis presented below shows hypothetical and forward-looking information which can differ from actual events due to unforeseeable developments on financial markets. This analysis also excludes risks which are of a non-financial nature, or which cannot be quantified, such as business risks.

CURRENCY RISKS

The Group has no, or no significant, revenues and expenses denominated in foreign currencies. No, or no significant, risks arise from foreign currencies as a consequence.

INTEREST-RATE RISKS

The level of fixed-interest-bearing debt financing is insignificant, so that the risk arising from volatile interest rates is immaterial.

(22) Contingencies

As of the balance sheet date, the Group was not exposed to contingencies arising from warranties (2012: EUR 0 thousand).

(23) Other financial liabilities arising from pending business

in EUR thousand		Total	Residual term: Up to 1 year	Residual term: 1 to 5 years	Residual term: > 5 years
Future payment obligations arising from					
Leases for buildings	2013	523.0	299.0	224.0	-
	2012	793.1	273.1	520.0	-
Other leases	2013	-	-	-	-
	2012	37.5	37.5	-	-
Other financial liabilities	**2013**	**523.0**	**299.0**	**224.0**	**-**
	2012	**830.6**	**310.6**	**520.0**	**-**

The leases for buildings and other leases correspond to the minimum lease payments arising from operating leases pursuant to IAS 17. These agreements relate to the leasing of buildings, and of vehicles and IT hardware. Lease expenses amounted to EUR 294.0 thousand in the year under review (2012: EUR 526.0 thousand).

(24) Related parties

The associated companies of Cliq Digital AG are presented in the consolidation scope (Note 26). Along with the Management Board, their close family members, and generally the Supervisory Board, participating interests and their owners are regarded as “related parties” in the meaning of IAS 24 Related Party Disclosures.

Management Board compensation is composed as follows:

In EUR thousand	2013	2012
Payments due in the short term (excluding share-based compensation)	300.0	779.0
Total compensation	300.0	779.0

As of December 31, 2013, the Management Board held a total of zero stock options. (2012: zero). The Supervisory Board held no stock options as of December 31, 2013 (2012: no stock options).

The Supervisory Board members received EUR 51.7 thousand to reimburse their expenses in the 2013 financial year (2012: EUR 51.9 thousand). A long-term compensation component has not been agreed for Supervisory Board members.

(25) Notes concerning segment reporting

Pursuant to IFRS 8 Operating Segments, the Group‘s activities are demarcated by business segments as part of segment reporting. Internal reporting within the Group occurred until 2012 on the basis of the customer profiles of Mobile and Online Games; the areas of Mobile and Online Games have been defined as operating segments in accordance with IFRS 8.10 in the past. On the basis of the reporting system, the Management Board, as the main decision-making organ as per IFRS 8, assessed the performance of these two operating segments, and made decisions concerning the allocation of resources. In particular, the operating segments‘ performance was measured using the “revenue with external customers” and “EBITDA” metrics.

At the end of 2012 it has been decided to exit the Online Games activities and therefore the segment Mobile is the only left operating segment. Therefore no segment reporting is applicable anymore for 2013. The reported segment reporting of 2012 is presented below.

Reconciliation of segment earnings with Group earnings

	2012	
In EUR thousand	Mobile	Online Games
Operating profit / loss (EBITDA)	**10,796.0**	**-2,246.1**
Depreciation, amortization and impairment charges	-8,970.7	-1,397.4
Operating profit / loss (EBIT)	1,825.3	-3,643.5
Financial income and financial expenses	-1,428.4	-225.3
Profit / loss before taxes on income	396.9	-3,868.8
Taxes on income	-300.8	194.6
Net profit / loss for the period	96.1	-3,674.2
Share of earnings attributable to other shareholders	-	-
Profit / loss attributable to Cliq Digital AG shareholders	**96.1**	**-3,674.2**

Reconciliation of segment assets and segment liabilities

In EUR thousand	31 / 12 / 2012 Mobile	Online Games
Total assets	**79,296.4**	**4,669.5**
Receivables from companies in which the company has a participating interest	13,570.2	26.3
Cash and cash equivalents	2,449.1	228.8
Deferred tax assets	2,769.5	230.5
Segment assets	**60,507.6**	**4,183.9**
Total equity and liabilities	**79,296.4**	**4,669.5**
Equity	39,824.8	-4,270.9
Deferred tax liabilities	1,113.0	72.4
Other provisions	369.5	458.3
Financial liabilities	20,600.0	-
Current income tax liabilities	965.9	3.7
Segment liabilities	**16,423.2**	**8,406.0**

(26) Consolidation scope as of December 31, 2013

	Equity intrest in %
Cliq Digital AG, Dusseldorf, Germany	
Bob Mobile Deutschland GmbH, Dusseldorf, Germany	100.00
Bob Mobile Hellas S.A., Attiki, Greece	100.00
Cructiq AG, Baar, Switzerland	100.00
Venga Mobile GmbH, Dusseldorf, Germany	100.00
Rheinkraft Production GmbH, Dusseldorf, Germany	100.00
Imobic GmbH, Dusseldorf, Germany	100.00
Just A Game Hellas S.A. Attiki, Greece	100.00
Bluetiq GmbH (former Just A Game GmbH), Dusseldorf, Germany	100.00
Kraulat GmbH (former GMOB Latam GmbH), Dusseldorf, Germany	100.00
Guerilla Mobile Asia Pacific Pte. Ltd, Singapore	100.00
Capital Games GmbH, Berlin, Germany	100.00
Cliq B.V., Amsterdam, The Netherlands	100.00
Blinck International B.V., Amsterdam, The Netherlands	100.00
Artiq Mobile B.V., Amsterdam, The Netherlands	100.00

Continued on next page

	Equity intrest in %
Blinck Mobile Ltd., Dublin, Ireland	100.00
Hectiq B.V., Amsterdam, The Netherlands	100.00
Memco B.V., Amsterdam, The Netherlands	100.00
Simiq B.V., Amsterdam, The Netherlands	100.00
thumbr B.V., Amsterdam, The Netherlands	100.00
The Mobile Generation Holding B.V., Amsterdam, The Netherlands	100.00
TMG Singapore PTE Ltd., Singapore	100.00
The Mobile Generation Americas Inc., Toronto, Ontario, Canada	100.00
The Mobile Generation I B.V., Amsterdam, The Netherlands	100.00
Mobtiq B.V., Amsterdam, The Netherlands	100.00
Run The Red Ser. EM, Sao Paulo, Brasil	100.00
GIM Global Investments Munich GmbH, Munich, Germany	100.00
Grumbl Media Holding B.V., Amsterdam, The Netherlands	100.00
Return Media B.V., Amsterdam, The Netherlands	99.00
iDNA B.V., Amsterdam, The Netherlands	100.00

(27) Fee for auditor‘s services

The following fees were expensed in the 2013 and 2012 financial years for services rendered by MAZARS GmbH Wirtschaftsprüfungsgesellschaft (Group Auditor):

In EUR thousand	2013	2012
For auditing of the financial statements	**148.0**	**189.9**
MAZARS	148.0	185.2
Other	-	4.7
For other certification and valuation services	**-**	**0.6**
MAZARS	-	-
Other	-	0.6
For tax advice services	**46.3**	**72.9**
MAZARS	46.3	70.4
Other	-	2.5
For other services rendered for Cliq Digital	**-**	**67.7**
MAZARS	-	28.7
Other	-	39.0

(28) Number of employees

The average number of employees in the 2013 financial year was as follows:

	2013	2012
Full-time employees	**91**	**122**
Germany	20	55
The Netherlands	68	61
Abroad	3	6
Part-time employees	**24**	**27**
Germany	2	5
The Netherlands	22	22
Abroad	-	-
Total	**115**	**148**
Germany	22	60
The Netherlands	90	82
Abroad	4	6

(29) Events after the balance sheet date

There are no reportable events known.

Dusseldorf, May 9, 2014

Cliq Digital AG, Dusseldorf

Luc Voncken

auditor's report

We have audited the consolidated financial statements prepared by Cliq Digital AG, Dusseldorf – comprising the consolidated statement of earnings, the consolidated balance sheet, the statement of cash flows, the statement of changes in equity and the notes to the consolidated financial statements including the segmental reporting – together with the group management report for the business year from 1 January to 31 December 2013. The preparation of these documents in accordance with the IFRS as adopted by the EU are the responsibility of the company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB [Handelsgesetzbuch – German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) [Institute of Public Auditors in Germany]. Those stand-ards require that we plan and perform the audit such that misstatements materially af-fecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable accounting standards and in the group management report are detected with reasonable assur-ance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in the consolidation, the determination of entities to be included in the consolidation, the accounting and consolidation principles used and significant estimates made by ma-nagement, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a sec. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group.

The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Düsseldorf, 9 May 2014

MAZARS GmbH
Wirtschaftsprüfungsgesellschaft

Kleinmann
Wirtschaftsprüfer
[German Public Auditor]

Stramitzer
Wirtschaftsprüfer
[German Public Auditor]

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